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House Document No. 32

**ANNUAL REPORT OF
THE GOVERNOR GENERAL
OF THE
PHILIPPINE ISLANDS
1933**

ANNUAL REPORT
OF THE
GOVERNOR GENERAL
OF THE PHILIPPINE ISLANDS
1933

**MESSAGE FROM THE PRESIDENT OF THE UNITED STATES TRANS-
MITTING REPORT OF THE GOVERNOR GENERAL OF THE
PHILIPPINE ISLANDS FOR THE CALENDAR YEAR 1933, TO-
GETHER WITH APPENDIXES, CONSISTING OF
ABRIDGED REPORTS OF THE HEADS OF
THE SIX DEPARTMENTS OF THE
PHILIPPINE GOVERNMENT
FOR THE CALENDAR
YEAR 1933**



**JANUARY 16, 1935.—Referred to the Committee on Insular Affairs
and ordered to be printed**

**UNITED STATES
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WASHINGTON : 1935**

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1933

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MESSAGE FROM THE PRESIDENT

To the Congress of the United States:

As required by section 21 of the act of Congress approved August 29, 1916, entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands", I transmit herewith, for the information of the Congress, the report of the Governor General of the Philippine Islands for the calendar year 1933, together with appendixes, consisting of abridged reports of the heads of the six departments of the Philippine Government for the calendar year 1933.

I concur in the recommendation of the Secretary of War that this report and its appendixes be printed as a Congressional document.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
January 16, 1935.

LETTER OF TRANSMITTAL

WAR DEPARTMENT,
Washington, January 3, 1935.

THE PRESIDENT,
The White House.

DEAR MR. PRESIDENT: I enclose the annual report of the Governor General of the Philippine Islands for the calendar year 1933, and the appendixes thereto, consisting of abridged annual reports of the heads of the six departments of the Philippine government, for the calendar year 1933, together with drafts of messages for your signature transmitting them to the Congress as required by section 21 of the act of Congress approved August 29, 1916, entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands."

I believe that this report and the appendixes transmitted herewith should be printed, as they contain valuable and historical information, and I so recommend.

Respectfully yours,

GEO. H. DERN,
Secretary of War.

REPORT OF THE GOVERNOR GENERAL OF THE PHILIPPINE ISLANDS, 1933

MANILA, *August 15, 1934.*

The SECRETARY OF WAR,
Washington, D. C.

SIR: The annual report of the Governor General of the Philippine Islands for the year ending December 31, 1933, is respectfully submitted.

Immediately following my arrival in Manila to take over the duties of the Governor General, on June 15, 1933, a comprehensive appraisal of existing conditions was undertaken. A thorough survey of the situation revealed that in many respects conditions in the Philippines were highly satisfactory. Peace and order prevailed, the public health was good, and there was general freedom from suffering due to individual want and destitution such as was widely prevalent in other lands. In some areas, however, economic distress had inevitably resulted from a gradual decrease during recent years in the prices of the principal products of the islands, and in the financial administration of all branches of the government there was a dangerous trend toward lower revenues without a complementary decrease in expenditures. The latter condition was viewed as the most pressing problem confronting the government, especially in view of the far-reaching changes in government that appeared imminent. The adoption of a sound financial policy was therefore the problem demanding first attention.

BALANCED BUDGET PRIMARY OBJECTIVE

The finances of the government were basically in good condition. Sinking funds and currency reserve funds had been adequately maintained. But the cash surplus which had been built up during a long period of prosperity was at the point of exhaustion through failure to reduce expenses to actual income. During the years 1930, 1931, and 1932 approximately ₱20,000,000 of accumulated surplus funds had been used up to defray the general expenses of government. It was obvious that in the face of continually declining revenues this could not be permitted to continue without seriously undermining the government's credit. The most arduous and detailed central control was immediately established and every possible economy impressed.

The cooperation of the cabinet, especially of the secretaries of finance and interior, was requested and this was afforded in the highest degree. Both directly and through the cabinet, the seriousness of the financial situation was brought home to bureau directors and all other personnel engaged in handling the public funds. A central efficiency and economy committee with subcommittees in each department was set up for recommending details of economy

and improved methods. The unity of purpose created a definite institutional interest in economy with results which were entirely successful. The dangerous trend toward a financial crisis was checked and a small surplus—P500,000 in round figures—laid up for 1933.

Remission of land taxes was refused and a campaign for maximum collection continued to the last day of the year, bringing collections to nearly 6 percent above estimated income. In addition to the general economies, expenditure under conditional and discretionary appropriations was withheld. A major item in economy included the exercise of administrative option withholding release of the so-called "pork items" in the Public Works Act of 1933. In this connection must be mentioned the very helpful attitude of the third session of the Ninth Philippine Legislature which, fully realizing the exigencies of the financial situation, declined to pass a pork-barrel bill for the calendar year 1934. This is the first time in the history of the legislature that it has denied itself this luxury and coming as it did on the eve of elections gave further and needed emphasis to the economy campaign. Thus between overcollection and underexpenditure the budget was balanced without resort to new taxes. The following tables 1 and 2 show in graphic form the improved trend in Philippine finances.

Insular auditor's report

CONSOLIDATED STATEMENT OF OPERATION OF THE GENERAL, SPECIAL, AND BOND FUNDS OF THE CENTRAL GOVERNMENT, 1930 TO 1933

Year	Income	Expenditures	Difference
1930.....	P97,869,947.92	P104,037,078.88	— P6,167,130.96
1931.....	82,159,869.77	91,018,511.81	—8,858,642.04
1932.....	74,716,772.26	79,696,887.23	—4,980,114.97
1933.....	70,025,933.81	69,535,029.86	+490,903.95

RESULTS OF OPERATION OF THE GENERAL FUND ONLY OF THE CENTRAL GOVERNMENT, 1930 TO 1933

1930.....	P84,494,630.24	P95,828,238.73	— P11,333,608.54
1931.....	69,425,591.75	76,641,465.73	—7,215,873.98
1932.....	61,441,172.50	65,936,588.72	—4,495,416.22
1933.....	58,047,374.35	56,631,361.51	+1,416,012.84

ALL DEPARTMENTS SHOW SAVINGS

The success of the financial program was notable in that it was not merely one of total figures. Within the central government every department and every bureau lived within its income and closed with a surplus. Economies in the departments and bureaus were of two kinds: Those required in the budget commonly called "forced savings" and those effected by underexpenditure or "voluntary savings". A statement of the secretary of finance shows the ratio of savings to general appropriations in each of the departments of government and is reproduced in condensed form in the following table 3. The range among the different departments is interesting, especially in respect to the voluntary savings, in which the department of finance led with a ratio of 21.81 percent, the Office of the Governor General following with 11.75 percent.

Ratio of savings to appropriations in the departments of government, 1933

Department of government	Voluntary savings or reversions based on net appropriations	Forced savings based on gross appropriations	Total savings based on gross appropriations
	Percent	Percent	Percent
Senate.....	5.31	4.75	4.75
House of representatives.....	.002	15.22	5.31
National library.....	1.09	1.17	15.23
Supreme court.....	11.75	3.33	2.25
Bureaus and offices under the Governor-General including the Belo fund.....	21.81	3.23	14.69
Department of finance.....	1.88	1.98	24.33
Department of public instruction.....	2.48	4.26	3.82
Department of justice.....	1.98	4.76	6.63
Department of agriculture and commerce.....	.85	4.72	6.65
Department of public works and communications.....	.48	10.06	5.53
Department of the interior and labor.....		14.03	10.49
University of the Philippines.....			14.03

Another gage of the financial effort is reflected in the insular auditor's report on the government's cash account. Taking into consideration the withholding of expenditures under conditional appropriations, the cash position of the general fund of the central government was on December 31, 1933, some ₱4,000,000 in excess of a comparable figure as of December 31, 1932.

GOVERNMENT-CONTROLLED COMPANIES

Turning to government-controlled companies, there was no instance of a deficit or overdraft and the situation of each company was definitely improved as compared with 1932. The Manila Hotel showed a net profit of ₱500.19 as against a deficit of ₱25,209.88 in 1932. The Manila Railroad Co. completed the year with a net income of ₱21,431.98 as against a deficit of ₱97,377.17 for the year 1932, in spite of the fact that it was necessary to expend ₱274,666.66 in additional exchange charges which would have been added to the net income under ordinary conditions. The Cebu Portland Cement Co. continued its profitable operation with a net profit of ₱258,483.73. The Philippine National Bank showed net earnings amounting to ₱3,153,759.21 of which ₱1,000,000 was turned in to the insular treasurer and the balance put in surplus and reserve for future contingencies.

PROGRESS IN PROVINCIAL FINANCES

Outside the central government, provincial finances were in a difficult state. A survey of provincial finances was undertaken by the financial adviser, the late Mr. Joseph E. Mills, in cooperation with the department of the interior and labor. The results of the survey showed at least 10 of the 49 Provinces had overdrafts, and others carried unpaid obligations from previous years or were weighted with accounts payable. In Provinces whose finances were otherwise sound, the unappropriated balances in the different funds were rapidly decreasing with indications that overdrafts would be incurred before the end of 1933. Provinces were immediately advised to undertake all possible economies including such reduction in salaries of their officials and employees as might assure solvency by the end of the

year. Monthly reports required from each provincial treasurer were closely inspected by the financial adviser and myself, and based upon these reports letters were forwarded through the department of the interior and labor to the provincial treasurers suggesting additional economies. As a result of this detailed work, from December 31 reports so far available, 4 of the overdraft Provinces cleared up their deficits and 3 were able to make substantial reductions in the amounts of their deficits. Eight Provinces established surpluses or increased balances in their principal funds. At the end of the year there remained several Provinces in doubtful financial condition and for these rehabilitation plans have been set up. It is hoped that the end of 1934 will show every Province on the credit side.

LEGISLATION

The principal issue before the third and last session of the Ninth Philippine Legislature was the question of the acceptance or rejection of the act of Congress commonly known as the "Hare-Hawes-Cutting Act", which gave the Filipino people the option of setting up a commonwealth form of government preparatory to complete independence. In my inaugural address on the day of my arrival in Manila I had made it clear that I considered this matter one to be decided entirely by the Filipino people and that I intended to remain entirely neutral. I repeated this statement at the opening of the legislature and throughout the year was scrupulously careful to avoid being drawn into the controversies which arose and to avoid any action which might be interpreted as favoring one side or the other. Other than to state that the legislature by a concurrent resolution dated October 17, 1933, declined to accept the act, it does not appear necessary or timely to discuss it in this report.

Notwithstanding the time required for consideration of a measure of such overshadowing importance as the Hare-Hawes-Cutting Act, the legislature also acted on several other matters of major importance. The general appropriation act was approved several weeks before the close of the session, essentially as proposed in the budget submitted. Also for the first time in recent memory, and due to the punctilious action of the speaker of the house of representatives, the legislature adjourned promptly at midnight on the last day of the session instead of as in previous years carrying on for several hours after midnight and approving at the last moment a large amount of hastily drawn and ill-considered legislation.

Constructive legislation enacted included measures—

(a) Extending the franchise to women under the same conditions as at present enjoyed by men.

(b) Providing for the imposition of an indeterminate sentence by the courts and creating a board to provide for paroles under such sentences.

(c) Providing for a board to attempt the control of the wide-spread practice of usury in the islands.

(d) Providing for suspended sentences in cases of delinquent minors.

(e) Providing an 8-hour day for certain hazardous occupations.

(f) Creating a department of labor.

(g) Providing funds for the relief of unemployment.

(h) Amending the postal savings bank law to permit a more businesslike administration.

SOCIAL PROBLEMS

GENERAL

The principal social problems of the Filipino people are those concerned with the care of mothers and children, malnutrition, and poor living conditions in the congested slum districts of Manila and in the larger towns in the Provinces. These problems are influenced by the customs of the people, standards of living, and climatic factors.

Social problems as a whole are being approached from the viewpoint of immediate needs and long-time planning. The conditions in the congested districts of Manila present a serious problem requiring immediate attention. In order to obtain basic data the Philippines chapter, American Red Cross, in Manila conducted a health and social survey of a portion of the Tondo slum districts. This survey was conducted by trained social workers and included house-to-house visits and a study of health, social, and economic conditions in 5,193 families having an income of ₱15 a month or less—that is, an income which did not permit the family to live in a healthy environment and which gives rise to many social problems. The survey demonstrated that tuberculosis, malnutrition, and intestinal parasitism were prevalent in the surveyed group. It was estimated that approximately 15,000 families in Manila were living under conditions similar to those of the surveyed districts. This survey, together with the result of other observations and studies, indicated that there was an urgent need for consideration of this matter, and for a more effective public health and social program than had hitherto been carried on in the islands.

COMMUNITY HEALTH-SOCIAL CENTERS

In order to perfect an organization which would meet the needs of the health and social situation in slum districts, an agency known as the "Community Health-Social Center" was organized on an experimental basis in August 1933, and established in the Tondo district of Manila. The Community Health-Social Center, as it was eventually organized, furnishes facilities for child and maternal health work, tuberculosis control, general dispensary services, and social rehabilitation. Daily clinics are held in the center, but home visiting by public-health nurses and social workers is emphasized. The family is the unit served and all of the health and social difficulties of a given family are attacked as one problem.

Excellent results have been obtained by the experimental Community Health-Social Center and at the end of 1933 plans were being made for four similar centers in the city of Manila and six centers in the Provinces.

CHILD AND MATERNAL HEALTH AND WELFARE

Despite economic difficulties, 208 puericulture centers were maintained in operation throughout 1933. Promotion of maternal health and welfare is carried on largely by means of puericulture centers, public-health nursing services, and volunteer organizations such as the Red Cross, women's clubs, and other organizations of various kinds.

A puericulture center is a child and maternal health and welfare clinic with a home-visiting service. The larger centers operate mater-

nity homes or maternity hospitals. There is vast need for more of these puericulture centers and it is estimated that there should be a minimum of 500 centers in the Philippine Islands. The long-time plans for child and maternity health and welfare work call for a year-to-year increase in the number of puericulture centers.

SLUM CLEARANCE

The slum clearance problem in Manila is basically the same as in any other large city in that the solution must depend upon the construction of low-cost houses either by private capital or by government funds. A certain proportion of slum dwellers can rent or buy low-cost houses, while another group consisting of the socially insecure families cannot pay rents which would support a sanitary housing project.

Studies and basic plans are being made with a view to the development of housing projects which will ultimately clear the slums of Manila. These plans provide for the reconstruction of limited areas to determine the most suitable type of houses and to focus attention upon the many problems which will be encountered in clearing the slums. Ultimately, the slum clearance plans will provide for the reconstruction of the slum districts by limited-dividend corporations and by government aid.

PLAYGROUNDS

There is great need for more recreational facilities for young people, especially outdoor playgrounds. During 1933, the city of Manila provided funds which would permit the opening for public use of 10 school playgrounds. Also, steps were taken to secure funds for constructing and equipping eight additional municipal playgrounds. Plans have been made for the continuation of this work with a gradual increase in the number of playgrounds.

RURAL IMPROVEMENT

An effort was made in 1933 to decrease agrarian troubles and to improve the standard of living among farm tenants and small farmers by the promotion of rural gardening projects. On August 18, 1933, a rural improvement committee was appointed by executive order no. 436 and charged with making a careful study of rural conditions with a view to improving the economic and health conditions, and the general welfare of farming communities. The committee selected two rural districts, one in the municipality of Gapan, Nueva Ecija, and the other in the municipality of San Miguel, Bulacan, in which to demonstrate the value of barrio gardens. In each of these areas, rice is the principal crop and very few garden vegetables were cultivated by the people. With the aid of local supervision and support, 144 gardens were established in Gapan, Nueva Ecija, and 110 in San Miguel, Bulacan. These demonstrations were a marked success and the rural improvement committee will continue to work in 1934 with a view to instituting similar garden projects in other municipalities, and extending the work to selected parts of the islands.

UNEMPLOYMENT

The relief of unemployment has not been a serious problem. A survey, made as of March 1933, showed that there were approximately 6,000 heads of families and 1,500 employable dependents unemployed in Manila. Subsequent estimates of the unemployment situation indicate that the trend of unemployment tended to remain fairly constant.

An unemployment committee was appointed and charged with studying the existing conditions and making recommendations for the relief of unemployment and the relief of distress due to unemployment should such measures become necessary.

Under the auspices of the unemployment committee means were made available for the transportation to the Provinces of destitute unemployed. The bureau of labor and the bureau of public welfare cooperated in the placement of unemployed in available jobs.

The relief of distress due to unemployment has been supervised by the unemployment committee. This has been accomplished principally by providing material relief in the form of food and shelter. Funds for this purpose were obtained by voluntary contributions to the associated charities and by the appropriation of small amounts from government funds. The city of Manila contributed ₱5,000 and the insular government ₱7,500. Later the legislature appropriated ₱30,000 to be expended during 1934 for the relief of distress caused by unemployment.

SUPPLEMENTARY REPORTS

Attached to this report are excerpts from the reports of the various department secretaries which contain information of interest regarding the general situation. These reports, owing to their length and from motives of economy, are not printed in full.

FOREIGN TRADE¹

Statistics relating to the foreign trade of the islands during the last and previous years are deserving of thoughtful study by everyone interested in the future of the islands and their future relationship with the United States. These statistics show a dependence on the American market so great that any sudden change in the trade relations of the two countries will have most serious consequences for these islands and their 14,000,000 inhabitants.

The total foreign trade of the islands during the year was valued at ₱360,903,628, the balance of trade in favor of the islands being ₱62,180,582. The total trade with the United States alone amounted to ₱269,706,866, the balance of trade in favor of the islands being ₱95,545,240. On the other hand, trade with countries other than the United States amounted to ₱91,196,762 with an unfavorable balance of ₱33,364,658. While exports to the United States and foreign countries increased at about the same rate, exports to the United States comprised more than 86 percent of the total. On the other hand

¹ Trade figures for 1933 herein, which are based upon valuations under the Parity Act, have been revised to actual values subsequent to the completion of this report.

imports from the United States, which comprised but 58 percent of the total, decreased by 15 percent while imports from foreign countries increased by 11 percent. As against a total increase of imports from foreign countries of ₱6,086,049, imports from Japan alone increased by ₱6,880,654 while exports to that country increased by less than ₱1,000,000.

It is worthy of note that this net favorable balance of trade exceeds the general expenses of the central government and that the favorable balance with the United States alone amounted to 69 percent more than the expenses of the government for 1933. It will be difficult, if not impossible, to find substitute markets for the large volume of exports which now go to the United States. The immediate result of the loss of the American market would be that the Filipino people would be compelled to curtail imports. The islands have imported from the United States in the past 8 years goods to the value of more than ₱1,100,000,000, the average annual importation over that period being more than ₱138,000,000. The present tendency indicates that this market for American products would largely disappear if the mutual preferential tariff privileges which now exist should be repealed.

Philippine products have in the past enjoyed the benefits of the highly protective American tariff while on the other hand American goods in the Philippines have enjoyed only the incidental protection of a tariff for revenue. Abnormal conditions of exchange in the past few years have tended partially to nullify even that advantage. Recent events have brought home sharply to the Filipino people the fact that restrictions on their market privileges in the United States will have serious effects on their economic life, and the plan of a reciprocal trade agreement, as a means of continuing the exchange of products that has proved so mutually profitable over a long period of years, has been strongly urged and would probably receive general support.

Of interest in this connection are the following tables showing the 10 principal imports of the islands for the year 1933 and the 10 years preceding, and the percentage of these imports which came from the United States. It is a matter of regret that a larger percentage of imports of the Philippine Islands do not come from the United States, but the proportion of such imports in relation to general trade has remained fairly constant. The point which I desire to emphasize here is that further curtailment of Philippine exports to the United States must inevitably restrict purchases of these products from the United States at a time when the United States can ill afford to suffer a further loss in exports.

Ten principal imports during the year 1933 and the amount of corresponding articles imported yearly since 1923

COTTON GOODS

Year	From all countries		From the United States	
	Amount	Percent of total import	Amount	Percent
1933.....	P31,157,651	21	P16,524,065	53.03
1932.....	33,523,243	21	21,147,596	63.08
1931.....	32,802,095	17	16,221,271	49.45
1930.....	37,027,108	15	17,300,645	46.72
1929.....	53,953,834	18	31,697,057	58.74
1928.....	56,272,304	20	30,796,066	54.73
1927.....	46,085,427	20	24,511,159	52.75
1926.....	56,470,119	24	32,792,259	58.07
1925.....	55,196,619	23	28,918,304	52.39
1924.....	49,379,481	23	25,627,478	51.89
1923.....	46,270,197	26	27,192,066	58.78

IRON AND STEEL PRODUCTS

1933.....	P17,891,509	12	P12,798,363	71.53
1932.....	19,977,574	13	14,668,250	73.42
1931.....	26,729,765	13	20,392,034	76.29
1930.....	58,559,138	16	29,837,323	77.38
1929.....	43,812,331	15	35,559,334	81.16
1928.....	40,296,562	15	31,591,570	78.40
1927.....	30,855,639	13	22,298,036	72.27
1926.....	27,041,520	11	20,542,124	75.23
1925.....	27,919,939	12	21,264,889	76.16
1924.....	24,094,119	12	18,701,669	77.62
1923.....	17,392,001	10	13,988,903	80.43

MINERAL OILS

1933.....	P11,199,219	7	P9,880,095	88.22
1932.....	13,718,021	9	11,673,954	85.10
1931.....	18,935,275	9	15,047,316	79.46
1930.....	17,921,314	7	14,492,776	80.87
1929.....	19,838,056	7	16,804,383	84.77
1928.....	17,608,298	7	14,375,597	81.64
1927.....	15,405,879	7	12,874,915	83.57
1926.....	17,656,849	7	15,313,394	86.73
1925.....	17,358,936	8	13,640,102	78.58
1924.....	17,340,039	8	13,566,937	78.24
1923.....	13,360,632	8	9,945,281	74.44

MEAT AND DAIRY PRODUCTS

1933.....	P7,622,467	5	P3,715,909	48.75
1932.....	8,128,254	5	4,695,494	57.77
1931.....	12,150,885	6	7,324,489	60.28
1930.....	11,259,879	5	6,902,531	61.31
1929.....	13,787,160	5	7,341,123	53.25
1928.....	13,346,159	5	7,439,563	55.74
1927.....	12,418,212	5	6,566,126	52.88
1926.....	11,910,837	5	6,387,181	53.62
1925.....	10,988,943	4	5,899,819	53.93
1924.....	9,862,502	4	5,224,671	52.98
1923.....	8,607,791	5	4,095,930	47.58

AUTOMOBILES, PARTS OF, AND TIRES FOR

1933.....	P7,179,190	5	P6,449,265	89.83
1932.....	8,058,776	5	7,879,872	97.78
1931.....	9,030,872	5	8,905,472	98.61
1930.....	12,362,144	5	12,201,064	98.70
1929.....	15,271,461	5	15,091,886	98.83
1928.....	13,292,723	5	13,022,346	97.97
1927.....	12,479,552	5	12,111,935	97.05
1926.....	10,444,942	4	10,178,724	97.45
1925.....	9,212,313	4	8,971,631	97.39
1924.....	6,484,206	3	6,308,324	97.29
1923.....	4,434,151	2	4,379,833	98.78

Ten principal imports during the year 1933 and the amount of corresponding articles imported yearly since 1923—Continued

PAPER AND ITS MANUFACTURES

Year	From all countries		From the United States	
	Amount	Percent of total import	Amount	Percent
1933.....	P4,860,537	3	P3,200,390	65.84
1932.....	5,529,333	3	3,984,616	72.06
1931.....	6,516,224	3	4,752,907	72.94
1930.....	7,808,940	3	5,884,598	75.36
1929.....	8,454,247	3	6,093,373	72.07
1928.....	8,257,529	3	5,605,042	67.88
1927.....	7,654,852	3	5,344,404	69.82
1926.....	7,016,408	3	5,155,704	73.48
1925.....	6,813,821	2	4,985,257	73.16
1924.....	6,304,187	3	4,422,082	70.14
1923.....	6,105,883	3	4,744,638	77.71

WHEAT FLOUR

1933.....	P4,770,990	3	P3,272,302	68.59
1932.....	4,903,878	2	3,885,663	79.24
1931.....	6,423,237	3	5,404,198	84.05
1930.....	8,982,329	4	7,962,372	88.64
1929.....	10,120,155	3	8,696,878	85.94
1928.....	10,650,603	4	9,250,256	86.85
1927.....	9,731,733	4	8,438,506	86.71
1926.....	9,724,101	4	7,955,883	81.92
1925.....	11,213,350	4	9,453,446	84.30
1924.....	8,042,178	4	6,746,622	83.89
1923.....	6,995,754	4	5,613,636	80.24

(NATURAL AND ARTIFICIAL) SILK GOODS

1933.....	P4,770,357	3	P2,077,300	43.55
1932.....	4,901,256	3	1,874,085	38.24
1931.....	6,461,561	3	1,471,505	22.77
1930.....	8,650,820	4	2,078,152	24.03
1929.....	9,328,442	3	4,067,759	43.61
1928.....	8,512,739	3	4,260,578	49.35
1927.....	7,960,729	3	4,524,757	56.84
1926.....	7,092,855	3	3,068,738	43.27
1925.....	5,615,807	2	2,247,238	40.02
1924.....	4,371,446	2	1,907,989	43.65
1923.....	3,257,122	2	1,373,956	42.18

TOBACCO PRODUCTS

1933.....	P4,234,596	3	P4,169,254	98.46
1932.....	5,385,142	3	5,253,936	97.55
1931.....	5,443,428	3	5,337,943	98.06
1930.....	5,887,775	2	5,607,794	95.24
1929.....	6,541,455	2	6,302,411	96.34
1928.....	6,202,070	2	6,010,912	96.92
1927.....	5,491,741	2	4,928,593	89.74
1926.....	4,295,291	2	3,935,337	91.62
1925.....	3,664,173	2	3,404,256	92.91
1924.....	3,011,418	1	2,640,909	87.69
1923.....	2,351,405	1	2,084,011	88.63

VEGETABLE FIBERS AND THEIR MANUFACTURES

1933.....	P3,971,420	2.66	P164,112	4.13
1932.....	3,862,189	2.43	253,845	6.57
1931.....	3,485,281	1.76	178,547	5.12
1930.....	6,416,535	2.61	214,670	3.35
1929.....	6,468,642	2.19	135,000	2.09
1928.....	4,825,500	1.79	73,289	1.52
1927.....	4,558,439	1.97	126,967	2.78
1926.....	4,910,472	2.06	124,568	2.54
1925.....	5,129,747	2.14	120,931	2.36
1924.....	2,794,770	1.29	79,494	2.84
1923.....	2,685,244	1.53	70,998	2.64

GOLD-MINING INDUSTRY

Comment regarding exports from the Philippine Islands would not be complete without some reference to the increasing importance of gold production and the future of the gold-mining industry in the islands. During the year 1931 gold bullion to the value of ₱7,531,350 was shipped to the United States; in 1932, to the value of ₱10,062,992; and in 1933, to the value of ₱9,693,271.

The establishment of a free gold market during 1933 gave a tremendous impetus to the mining of gold in the Philippine Islands. The established mining companies took immediate steps to increase their capacities and a large number of new companies were formed, several of which will go into production during the year 1934. It is likely that the production of gold in the islands will be at least doubled in the near future. There are large deposits of low-grade ore in the islands for which the present price of gold gives promise of profitable development. This industry may become a vital factor in the future economy of the islands.

EDUCATION

Enrollment in the public schools remained practically the same as the year before, with a slight decrease in secondary enrollment. The principal problem connected with education in the Philippine Islands is the increasingly pressing one of financial support. Complete comparative statements for the year 1933 are not yet available, but the statistics for the year 1932 and previous years indicate that too much dependence is placed upon the insular government for the support of education. For the year 1932 expenditures from all sources for education amounted to approximately ₱28,000,000; 64 percent, or ₱18,000,000, of which came from the coffers of the insular government. The provincial governments furnished only 16 percent and the municipal governments 19 percent of the cost of education. When we observe how drastically the revenues of the insular government have been curtailed, it will readily be seen that the central government cannot indefinitely continue to bear this heavy burden for education, which takes so large a proportion of the general revenue and which should be provided from local sources. The difficulty of shifting the financial support of the public schools from the central to the local governments is increased, however, by the fact that under the existing system of taxation the central government has preempted the bulk of the revenues.

The system of education that was established at the very beginning of the American regime has proved immensely popular with the people of the Philippine Islands, and the enrollment in the public schools has increased from 150,000 in 1900 to 1,204,375 for the school year 1932-33. Despite this remarkable development, however, the Philippine government is today providing school facilities for only 37 percent of Filipino children of school age; i. e., between the ages of 7 and 17, inclusive.

Private schools and colleges continued in 1933 to perform an important educational function in the Philippines. The enrollment in private educational institutions recognized and permitted to operate by the government for the 1933-34 school year was 92,579, a reduction of 923 from the preceding year. The division of private schools

and colleges in the office of the under secretary of public instruction continued its work of inspecting these schools and colleges and of assisting them to meet the standards set by the government as a prerequisite for recognition.

PUBLIC HEALTH

Conditions of public health were uniformly good throughout the year. Vital statistics for the year are not complete, but present indications are that they will remain approximately as in former years. The future of public-health conditions in the islands will be governed largely by economic conditions. If government revenues decrease to a point where adequate supervision and control are not possible, a serious decline in the standard of health may be anticipated. A marked decline in the income of the people, which will result in lowered living standards, will also be reflected in the increase of tuberculosis and other diseases.

AGRICULTURE

The primary problem confronting agriculture in the Philippine Islands is diversification of crops. Too much dependence has been placed in the past upon the four basic crops of sugar, copra, tobacco, and hemp, for which there has until recently existed a ready market at attractive prices. The purchasing power provided by export of these crops has been used altogether in too large a proportion for the purchase of foodstuffs that could very well have been produced in the islands. The islands are perfectly adapted for the production of all their food stuffs and the spectacle of large imports of such articles as poultry products, canned fish, meat products, and a host of other articles that can be produced in the islands is incongruous in the extreme. The danger of such a situation has been recognized in recent years, and determined efforts have been made to remedy such a basically unsound condition. Progress has been made, but it is necessarily slow. It has been easier both for the large landholder and for the small tenant to continue the cultivation of crops which for generations have been familiar than to attempt to introduce new crops without the experience and training necessary for their cultivation.

Force of circumstances may hasten this change in the agricultural life of the islands which moral suasion has been unable to work in the past. Unless this change is attended by supervision and help on the part of the government acute trouble among the farming classes may result. Entirely too many farmers are one-crop farmers. Vegetable gardens and poultry if raised at all are cared for in a haphazard manner, which produces poor results. The problem is twofold. Agriculture must be trained and encouraged to produce food crops for local consumption and the people must be educated to the use of these crops. The proper preservation and marketing of food products also present difficulties that are not easy of solution.

PUBLIC LANDS

Coupled with the problem of changes in the agricultural life of the people of the Philippine Islands is the problem of land titles. The work of issuing land titles and making cadastral surveys proceeded during the year at about the same rate as in the past, but delay in issuance of titles and disputes over titles and boundaries cause a great deal of trouble.

CONCLUSION

In conclusion, I wish to make special mention of the fact that I have had the hearty cooperation of government officials, members of the legislature, and private citizens in business and professional fields. Satisfactory progress has been made, but there is much to be done. The experience of my first 6 months in the islands has been reassuring, and justifies the prediction that 1934 will see solid accomplishment.

The various problems mentioned are being attacked with vigor, and we are meeting with a spirit of understanding helpfulness that is distinctly encouraging. It seems to be generally acknowledged that there is an increased public interest in bringing to pass governmental objectives sought in the public interest, and a general understanding of the fact that the future of the country depends upon the sound solution of the vital problems facing those of us who are trustees for the people.

FRANK MURPHY,
Governor-General.

ANNUAL REPORT OF THE SECRETARY OF FINANCE

DEPARTMENT OF FINANCE,
Manila, March 15, 1934.

His Excellency the GOVERNOR GENERAL, *Manila.*

SIR: I have the honor to submit the following annual report of the department of finance corresponding to the year ending December 31, 1933.

PROGRESS MADE DURING THE YEAR TOWARD THE ACHIEVEMENT OF SPECIAL OBJECTIVES

BUREAU OF CUSTOMS

The special objectives of the bureau of customs during the year 1933 were the intensification of the collection of customs duties so as to increase the income of the government as much as possible and the strict enforcement of the immigration laws so as to reduce the number of immigrants illegally entering the country. With the limited means at its disposal, this bureau was able to attain these objectives, as is shown by the following comparison between the amounts estimated in the budget for 1933 and the actual collections during said year:

	Budget, 1933	Actual, 1933
Import duties.....	P13, 800, 000	P15, 262, 666. 07
Documentary stamp tax.....	600, 000	605, 962. 08
Immigration tax.....	300, 000	269, 716. 00
Tonnage dues.....	390, 000	447, 736. 03
Fines and forfeitures.....	30, 000	35, 740. 29
Total.....	15, 120, 000	16, 621, 820. 47

As to the number of immigrants, there were 35,697 in 1933 as against 40,122 in 1932, or a decrease of 4,425. One of the reasons for the reduced number is the operation of the new immigration detention station, which discourages the coming of aliens whose rights to land in this country are doubtful.

BUREAU OF INTERNAL REVENUE

The main objectives of the bureau of internal revenue as the largest revenue-collecting agency of the government of the Philippine Islands were to increase as much as possible the collection of taxes and to detect frauds against the revenues. It can be said that the bureau also succeeded in its undertaking, for in spite of the fact that this department estimated in 1933 collections from internal-revenue taxes in the amount of P26,381,000, the bureau was able to actually collect during the year the sum of P27,790,888.01, or an excess of P1,409,888.01 over the estimate. Of course, the collections this year were less than in 1932, but this had been expected and taken for granted in view of the business depression, but the comparatively large excess of collections over the estimate is a gratifying sign and a hopeful indication.

OTHER SPECIAL ACTIVITIES

Besides the progress made during the year in working toward special objectives in connection with its control and jurisdiction over its bureaus and offices, the department has also exerted efforts to secure economy in order to insure a balanced budget and to promote efficiency in the service of its office.

In connection with the bank holiday in the United States and the announcement of the monetary policy of President Roosevelt to devalue the dollar, which were matters of great importance and grave concern to the economic situation of the country, the approval of the Governor General was secured toward extending government aid and cooperation, through the Philippine National Bank, to a number of banks in the country to enable them to meet cash shortages caused by the temporary closing of banks in the United States. The reports of the cash position of banking institutions were carefully examined and watched from day to day in order to safeguard depositors. With regard to the deposits of the Philippine government in the banks of the United States, measures which will be discussed in a later paragraph were immediately taken, through the Governor General, to prevent loss as a consequence of the depreciation of the dollar.

Preparation of the budget.—One of the most important activities of the department is the preparation of the annual budget of the Philippine government for the Governor General. The preparation and discussion of the budget is undoubtedly one of the hardest single tasks undertaken by the government. It takes months of painful day and night labor and great amount of tact and patience.

The total gross appropriation authorized for 1933 was ₱65,797,346.73. Deducting from this amount the sum of ₱20,387,902.66, representing the appropriations for fixed charges and other continuing appropriations available until exhausted, as per statement below, the balance of ₱45,409,444.07 will be the gross appropriation for regular operation expenses. Out of this amount, only ₱42,086,987.34 have actually been expended, thus making a saving of ₱3,322,456.73.

This economy has been made possible due to the economy measures adopted by the Governor General, which are as follows:

- (a) Salary reductions have been continued.
- (b) Vacant positions were not filled unless absolutely necessary.
- (c) No promotion of more than one grade is granted and only in case there is change in position and increase in rank and responsibility.
- (d) No new equipment was purchased except that which was indispensable.
- (e) Economy in the use of supplies.
- (f) Savings obtained by measures adopted by an efficiency and economy committee appointed by His Excellency, Governor General Murphy, at the inception of his administration.

The actual revenue collected for 1933 was ₱58,047,374.35 against the estimate of ₱54,086,200, or an excess of ₱3,961,174.35 over the estimate. On account of this fact coupled with the savings made in the appropriations, as stated above, the unencumbered cash surplus at the beginning of 1933 not only was not impaired by the expenses during said year but on the contrary it has substantially increased.

We have been fortunate enough to be able to balance our budget for 1934, and in spite of the fact that we have to meet unavoidable additional expenses amounting to over ₱1,044,000, such as expenses in connection with the general elections in 1934, gratuitous elementary education, etc., we have been able to keep the total appropriations for 1934 at almost the same amount as that for 1933 on account of the cut made in some expenses. Therefore we confidently hope that unless something serious and unexpected happens that may impair the economic power of the country, such as the limitation of our exportations to the United States, the financial condition of the government in 1934 should cause us no worry. Furthermore, in taking all possible precautions, the Governor General himself availed of the authority granted him by the general appropriation act for 1934 to reduce, as an emergency measure, all appropriations made therein by not more than 10 percent, by enjoining the officers in charge of the appropriations not to expend the whole amount but to reserve 5 percent thereof.

Statement showing appropriation for fixed charges and other continuing appropriations

Permanent appropriations:

Public debt.....	₱9, 281, 385. 46
Retirement gratuities, Act 2589.....	252, 544. 55
Advances to Philippine Railway Co.....	689, 517. 90
Advances to Manila Railroad Co.....	1, 542, 775. 17
Election expenses.....	50, 000. 00
Gratuities to employees retired due to reorganization.....	587, 897. 77
Aid to the city of Baguio.....	100, 000. 00
Gratuities to Sultan of Sulu.....	8, 700. 00

Statement showing appropriation for fixed charges and other continuing appropriation—Continued

Permanent appropriations—Continued.	
Protection of agricultural industries.....	P6, 000. 00
Development of agricultural industries in penal colonies....	25, 000. 00
Deterioration and extraordinary losses, Act 357.....	59, 126. 36
Public works appropriations:	
Mandatory.....	672, 500. 00
Conditional.....	3, 762, 347. 00
Continuing appropriations:	
Balances, Jan. 1, 1933.....	2, 615, 514. 69
Additional:	
General Antonio Luna monument, Act 4018.....	20, 000. 00
Unemployment relief, Act 4095.....	30, 000. 00
Purchase of automobile for the office of the Governor-General, Act 4032.....	4, 593. 76
Promotion of new and improvement of existing industries, Act 3953.....	680, 000. 00
Total.....	20, 387, 902. 66

Efficiency and economy committee.—In order to promote efficiency and effect economy in the government service, His Excellency the Governor General, issued executive order no. 432 on July 11, 1933, and in pursuance thereto this department organized a department of finance efficiency and economy committee. In conformity with a resolution adopted by the general committee on efficiency and economy on July 8, 1933, this office also organized efficiency and economy committees in all the bureaus and offices under its jurisdiction. Both the department and bureau committees met weekly, on different dates, and discussed and devised several suggestions submitted to them or by some of their members. The following table shows the number of suggestions submitted by each bureau and those of them approved by the department committee:

	Number of suggestions submitted	Number of suggestions approved
Office of the secretary.....	10	10
Bureau of customs.....	6	1
Bureau of internal revenue.....	23	14
Bureau of the treasury.....	9	5
Bureau of banking.....	8	4
Bureau of printing.....	22	15
Division of purchase and supply.....	4	3
	82	52

Of the 52 suggestions submitted by the department committee to the general committee, more than 30 of them were approved by the latter.

BUREAU OF BANKING

In March 1933 President Franklin D. Roosevelt issued a proclamation declaring a banking holiday from the 6th to the 9th of said month, to be observed by all banking institutions and all branches thereof located in the United States. At first, doubts were entertained whether or not said proclamation was applicable to the Philippine Islands or whether, if so, it would be convenient to extend its provisions to this country. After due consultation with bank heads, influential business men, government financial authorities, as well as the leaders of the legislature, it was agreed that there was no necessity to apply the provisions of the order to the Philippine Islands. This conclusion was arrived at in view of the fact that the banking condition in the Philippines was normal and should not, therefore, be disturbed. It was therefore decided to obtain the consent of the President to exempt this country from observing the banking holiday. Through the good offices of the Governor General, such consent was granted. The wisdom of this step has been demonstrated by the strengthening of the position of banks, the increase in the number of depositors and their deposits, and the absence of any indications of panic on the part of the public.

Currency reforms.—For the purpose of protecting our gold deposits in the United States banks in the event of gold embargo in that country, on October 19, 1932, the insular treasurer wrote a letter to the Chief of the Bureau of Insular Affairs, requesting that the contracts covering our bank deposits in the United States be amended to the effect that said deposits might be withdrawn, not only in lawful money but also in gold coins, at our option. This request, however, was disapproved by the Secretary of War.

When President Franklin D. Roosevelt declared the gold embargo in April of last year, thus virtually abandoning the gold standard, the Governor General, upon recommendation of the officials of the department of finance and the leaders of the legislature, urged the Secretary of War to withdraw all funds belonging to the Philippine government deposited in United States banks, convert them into gold coins to be held at the United States Treasury, and have them earmarked for the government of the Philippine Islands, with the exception of \$10,000,000 for exchange operations in connection with the gold-standard fund. When it was found that there was no authority for the Treasury of the United States to accept deposits of money not belonging to the Federal or State Governments, the request was amended to the effect that the gold-standard fund and Treasury-certificate fund should be withdrawn from the banks, converted into gold coins, and deposited with Federal banks or member banks of the Federal Reserve System in the United States, earmarked for the credit of the Philippine Islands. These efforts continued all throughout the year, with the support of the present Governor General. Subsequently, the Governor General, upon recommendation of the secretary of finance, suggested to the Secretary of War a revision of the currency system in the Philippine Islands, with the aim of better adapting it to local conditions, with the ultimate end of establishing an independent currency system here after a thorough study and consultation with some well-known currency expert. To follow up this plan, the acting secretary of finance, acting upon authority of the Governor General, has gone to the United States in order to place the matter before the Washington authorities.

PROGRESS MADE SINCE JUNE 15, 1933

The last 6 months of the year 1933 witnessed a determined effort on the part of the bureaus and offices of the government to effect economy and promote efficiency as a result of executive order no. 432 issued by the Governor General on July 11 of this year. The bureaus and offices under the department of finance generally made good progress in their respective activities.

During the second semester of 1933, the collections of the bureau of customs showed a total increase of ₱1,143,639.79 over the amount estimated by this department to be collected during such period. It even surpassed the collections for the same period of 1932 by ₱1,288,826.32. The same occurred in the matter of internal-revenue collections on imports collected by the bureau of customs, which showed an increase over estimate of ₱334,726.24 and over actual collection of the same period for 1932 of ₱256,899.40. The collection of wharfage dues also showed an increase of ₱24,295.45 over the estimate and of ₱209,274.92 over the corresponding period of 1932.

Principal imports.—The 10 principal imports of the islands during the last half year 1933 in the order of their importance with respect to value, as compared with those of the same period in 1932, are shown in the following table with the corresponding increase or decrease:

Articles	Last half year, 1933	Last half year, 1932	Increase (+), decrease (—)
1. Cotton goods.....	₱15,161,663	₱15,144,532	+₱17,131
2. Iron and steel and manufactures thereof.....	9,881,277	9,874,638	+6,639
3. Mineral oils.....	5,635,745	6,455,271	—819,526
4. Meat and dairy products.....	3,861,605	3,600,058	+261,547
5. Automobiles, parts of, and tires for.....	3,801,054	4,068,799	—267,645
6. Papers and manufactures thereof.....	2,346,975	2,594,774	—247,799
7. Wheat flour.....	2,865,719	2,140,545	+725,174
8. Silk and rayon and manufactures thereof.....	2,252,165	2,042,762	+209,403
9. Tobacco products.....	2,730,064	2,493,148	+236,916
10. Vegetable fibers.....	2,173,482	1,638,604	+534,878

NOTE.—Trade figures for 1933 herein, which are based upon valuations under the Parity Act, have been revised to actual values, subsequent to the completion of this report.

It may be noted from the above table that with the exceptions of mineral oils, automobiles, parts of and tires for, and papers and manufactures thereof, our principal imports for the second semester of 1933, compared with the same period in 1932, registered an increase in value.

Principal exports.—The 10 principal articles exported from the islands during the last half year in 1933 and those of the same period in 1932, in the order of their importance as to value, are shown in the following table:

Articles	Last half year, 1933		Last half year, 1932	
	Quantity	Value	Quantity	Value
1. Sugar.....kilos...	314,332,960	P39,993,122	425,702,470	P49,695,830
2. Coconut oil.....do....	96,796,745	10,814,480	55,494,490	7,135,222
3. Copra.....do.....	199,149,116	11,174,872	84,887,018	6,026,875
4. Abaca (manila hemp).....do....	83,637,415	8,427,132	53,266,262	4,691,518
5. Tobacco products.....do....		6,204,128		6,351,735
6. Embroideries (cotton and silk).....do....		1,737,346		3,576,236
7. Desiccated coconut.....kilos...	11,008,250	2,047,231	8,488,555	1,785,319
8. Lumber.....cubic meters...	119,964	1,721,248	55,468	686,843
9. Copra meal or cake.....kilos...	63,779,743	1,282,069	40,172,312	1,100,239
10. Cordage.....do.....	3,574,573	1,155,138	1,929,595	636,302

Foreign carrying trade.—During the last half of the year 1933 a total of 145 vessels, with an aggregate net tonnage of 517,846, belonging to 10 nations, engaged in the foreign carrying trade of the islands, as compared with 135 vessels having an aggregate net tonnage of 493,236 for the same period in 1932. In the foreign carrying trade of the islands during the last 6 months of 1933 the British vessels ranked first, the Japanese vessels came second, and American vessels occupied only the third place.

Internal revenue.—The results obtained by the bureau of internal revenue in the second half of 1933 are shown in the following table, comparing actual collections with the estimate made in the budget for 1933:

	July 1 to Dec. 31, 1933		Increase or decrease
	Estimated	Actual	
Excise tax:			
Domestic.....	P3,980,351	P3,923,743.45	¹ P56,607.55
Imported.....	1,561,625	1,952,958.79	391,333.79
License and business tax.....	5,699,140	6,278,170.31	579,030.31
Franchise tax.....	43,902	62,119.04	18,127.04
Documentary stamp tax.....	302,676	301,183.15	¹ 1,492.85
Income tax.....	555,500	749,962.20	194,462.20
Inheritance tax.....	339,000	143,491.87	¹ 195,508.13
Revenue from public forests.....	551,210	753,000.34	201,790.34
United States internal revenue.....	298,815	499,618.88	200,803.88
Fines and forfeitures.....	127,200	146,893.66	19,693.66
Internal-revenue apportionment.....	¹ 1,582,042	¹ 1,582,041.76	— .24
	11,877,467	13,229,099.93	1,351,632.93

¹ Decrease.

ECONOMIC AND FINANCIAL CONDITIONS

The United States, through the New Deal of President Franklin D. Roosevelt, is heading toward recovery, as is shown in the latest reports of the improvement of the commodity prices which are doubtless the result of the program of the administration. As the Philippines is directly affected by the economic changes in the United States, it is not surprising to observe that the same improvements manifested in the former are also found in the latter. The economic conditions in the islands at the close of 1933 showed marked improvement in many respects over the same period in 1932. The index of general business conditions improved by 2 points in 1933 over that of the preceding year.

The total trade with the United States and foreign countries during the year under review reached the amount of P360,903,628, of which P149,361,523 represents the imports and P211,542,105, the exports, as against P349,466,331 in 1932,

of which ₱158,790,170 and ₱190,676,161 constituted the imports and exports, respectively. The year 1933 closed with a balance of trade in favor of the islands, amounting to ₱62,180,582. Decreases were registered in the total value of all the principal items constituting the import trade, with the single exception of vegetable fiber and manufactures thereof where the amount imported was higher in value by 3 percent than that of the year 1932. On the other hand, increases were registered in the total value of all principal items constituting the export trade, with the exception of tobacco products and embroideries. As in previous years, sugar led the rest of our principal exports, the total quantity exported during the year under review being 1,078,652,571 kilos, as against 1,016,568,150 kilos in 1932, the corresponding values of these exports being ₱128,666,851 and ₱119,603,769, respectively, or an increase of ₱9,063,082. The exports of coconut oil, our second leading export for 1933, amounted to 159,620,620 kilos as against 114,672,757 kilos in 1932, or an increase of 44,947,863 kilos with the corresponding values of ₱18,339,645 in 1933 and ₱15,302,287 in 1932, resulting in an increase of ₱3,037,358, or 20 percent. Exports of copra, the third leading product, reached the level of 308,753,468 kilos for the year 1933 as against 137,240,604 kilos for 1932 with the corresponding values of ₱17,912,057 and ₱10,266,454, respectively, thereby realizing an increase of 74 percent or ₱7,645,603.

The United States continued to predominate in our foreign trade as in past years. During the year under review our trade with the United States totaled ₱269,706,866 while with the other countries it was ₱91,196,762. About three-fourths of our total foreign trade were thus carried on with the mother country. The total trade for 1933 compared with that of 1932, which was ₱267,891,232 shows an increase of ₱1,815,634. The imports amounted to ₱87,080,813 and the exports, ₱182,626,053, resulting in a balance of trade of ₱95,545,240 in our favor. Our total trade with all countries other than the United States during 1933 amounted to ₱91,196,762, of which ₱62,280,710 constituted the imports and ₱28,916,052, the exports; as against ₱81,575,099, of which ₱56,194,671 represented the imports and ₱25,380,428 the exports for the year 1932, resulting in an increase in the sum of ₱9,621,623.

During the year under review, a total of 559 vessels with an aggregate tonnage of 2,203,775 belonging to 12 nations engaged in the foreign-carrying trade of the Islands, as compared with 492 vessels having an aggregate tonnage of 2,008,735 in 1932. One hundred fifty-nine of these vessels were British, 118 Japanese, 87 American, 60 Norwegian, 47 Dutch, 46 German, 19 Danish, 10 Swedish, 6 Philippine, 4 Chinese, 2 Panaman, and 1 Italian. British and Japanese vessels were more than those of American registry. There were recorded during the year 1,571 entrances of vessels in the foreign trade with the total net tonnage of 6,415,114 and 1,386 clearances of vessels with the total net tonnage of 5,692,792. American ships as in past years maintained their leadership in foreign-carrying trade of the islands, ₱104,959,860 worth of cargoes having been transported under the American bottom, representing 29 percent of the total. British and Japanese ships were the two close competitors, each having transported cargoes worth ₱96,141,281 and ₱68,009,392, respectively. Vessels flying the Norwegian, German, Danish, Dutch, and Panaman flags followed respectively the American, British, and Japanese vessels in the amount of cargoes brought into the islands. It should be noted that a decline was registered in the value of cargoes carried by the American and British vessels. In 1932, the American vessels carried 34 percent of the total, but this percentage was reduced to 29 percent in 1933. Slight increases were, however, registered in the other foreign-carrying trade vessels. It is interesting to observe that vessels of Philippine registry are steadily increasing in the net tonnage and the value of cargoes carried, the value having increased from ₱278,260 in 1932 to ₱689,919 in 1933.

The following statement gives the nationality of the vessels engaged in the foreign carrying trade of the islands and the values of the cargoes transported by each during the years 1933 and 1932:

Nationality	1933	1932	Nationality	1933	1932
American.....	₱104,959,860	₱117,079,876	Swedish.....	₱1,931,144	₱1,658,919
British.....	96,141,281	98,782,433	Philippine.....	689,919	278,260
Japanese.....	68,009,392	58,765,745	Portuguese.....	171,303	-----
Norwegian.....	39,898,099	29,539,151	Chinese.....	99,856	419,393
German.....	12,253,980	11,053,283	Belgian.....	28,543	-----
Danish.....	11,729,223	7,862,634	Italian.....	14,981	-----
Dutch.....	11,308,942	10,743,523	Spanish.....	-----	1,274
Panaman.....	9,198,273	7,652,939			

The United States continued to be the best customer of the Philippine products, having purchased about 86 percent of the total exports and was followed by Japan, Spain, France, and Great Britain. In the order of their importance as to value, the principal local products exported during 1933 were sugar, coconut oil, copra, abaca, tobacco products, embroideries, desiccated coconut, lumber, copra meal or cake, and cordage.

As in previous years, sugar maintained its lead in the export trade, the volume during the year 1933 having been greatly augmented to 1,078,652,571 kilos, valued at ₱128,666,851, as against 1,016,568,150 kilos, valued at ₱119,603,769 in 1932. There was registered an increase in volume of 62,084,421 kilos and ₱9,063,082 in value or a difference of 8 percent in favor of the year 1933 over that of 1932. This item constituted 61 percent of the total exports and, practically, the United States was the only market.

Coconut oil was the second largest item of our exports. The quantity of this product exported during 1933 was 159,620,620 kilos valued at ₱18,339,645 as against 114,672,757 kilos valued at ₱15,302,287 in 1932, registering an increase of 44,947,863 kilos in volume, ₱3,037,358 in value, or a difference of 20 percent. However, the value of exports during 1933 was considerably smaller than those of the years preceding 1932. As in the case of sugar, our principal market for coconut oil is the United States, 98 percent having been exported to that country and the remaining 2 percent to China, Canada, and other countries.

Copra exported during 1933 registered an increase in volume of 171,512,864 kilos and ₱7,645,603 in value, or a difference of 74 percent. The quantity exported during 1933 was 308,753,468 kilos, valued at ₱17,912,057, as against 137,240,604 kilos, valued at ₱10,266,454 in 1932. Two-thirds of the total exports went to the United States and the remaining one-third was shared by Spain, France, and other countries.

The total value of Manila hemp exported during the year was ₱13,347,719 as against ₱10,031,204 in 1932, registering an increase of ₱3,716,515 or a difference of 37 percent. While an increase in value was realized over the 1932 export, yet the amount is very much lower than those of 1931 and previous years. The United States consumed 29 percent of the total export, Japan 26 percent, and Great Britain 22 percent.

Unlike the local products already discussed, tobacco products exported during the year dropped to ₱10,355,787 from ₱12,800,118 in 1932, showing a decrease of ₱2,444,331, or a difference of 19 percent. The value exported during the year under consideration is the lowest since 1926. The principal markets for tobacco products are the United States and Spain.

A decrease of about ₱3,000,000 was registered in the exports of embroideries, the total exports during the year 1933 being ₱3,798,631, as against ₱6,699,649 in 1932, or a difference of 43 percent. Practically all the volume of this export went to the United States and only a very negligible portion thereof was shared by Hawaii and other countries.

Desiccated coconut constituted, as in previous years, 2 percent of the total exports. The total value exported during the year was ₱3,365,609 as against ₱3,233,402 in 1932, showing an increase of ₱132,207, or 4 percent difference. Practically the entire volume of export went to the United States.

The value of lumber exported during the year was ₱2,537,214 as against ₱1,669,450 in 1932, registering a difference of 52 percent or an increase of ₱867,764. About 40 percent of the exports were shipped to the United States, 31 percent to Japan, while the rest had been shared by China, Great Britain, and British Africa.

The total value of copra meal exported during the year 1933 reached ₱2,115,107 as against ₱2,107,333 in 1932, registering an increase of ₱7,774 or a difference of less than one-half of 1 percent. Our principal market for this domestic product is Germany, with Netherlands and the United States ranking second and third, respectively.

The value of exports of cordage registered an increase of ₱495,443, the total for the year 1933 being ₱1,813,536 as against ₱1,318,093 in 1932, or a difference of 37 percent. About 63 percent of the total exports went to the United States and the rest to British East Indies, Puerto Rico, Siam, and other countries.

Cotton goods ranked first in the list of imports during the year. These articles constituted 21 percent of our total imports. The percentage of imports in 1933 is the same as that of 1932, which was also 21 percent. The value of imports for 1933 was ₱31,157,651 as against ₱33,523,243 in 1932, showing a decline of ₱2,365,592 or a difference of 7 percent. As in previous years, the United States led the other countries as our source of supply of this commodity, 53 percent having

been imported from that country, with Japan, China, and Great Britain ranking second, third, and fourth, respectively.

Importations of iron and steel and their manufactures during 1933 amounted to ₱17,891,509 as compared with ₱19,917,574 for 1932, registering a decrease of ₱2,086,065, or a difference of 10 percent. While the amount of imports from the United States decreased by more than ₱2,000,000, that country supplied a little more than seven-tenths of the total imports with Germany, Japan, Belgium, and Great Britain ranking in the order they are named.

Mineral oils constituted 7 percent of our imports for the year 1933. The total value of this item went a little way down from ₱13,718,021 for 1932 to ₱11,199,219 during 1933, registering a decrease of ₱2,518,802 or a difference of 18 percent. The United States led the other countries in supplying this product with the Dutch East Indies and Great Britain ranking second and third, respectively.

A decrease of 6 percent was registered in our imports of meat and dairy products which item forms 5 percent of our total importations during the year under review. The total imports during 1933 were ₱7,622,467 as compared with ₱8,128,254 for 1932, registering a decrease of ₱505,787. About 49 percent of the total imports came from the United States, 25 percent from Australia, and 12 percent from China.

Automobiles and their accessories formed, as in the past 6 years, 5 percent of our total imports, registering a decrease of 11 percent. Our imports of automobiles and their accessories for the year 1933 amounted to ₱7,179,190 as compared with ₱8,058,776 for 1932, or a difference of ₱879,586. The United States monopolized this item, her share of the total imports being approximately 90 percent.

Our total imports of paper and its manufactures showed also a decline, the total value imported in 1933 being ₱4,860,537 as compared with ₱5,529,333 in 1932, or a decrease of ₱668,796. As in the past 7 years, this item formed 3 percent of our total imports. About 66 percent of our total imports were supplied by the United States, while the remainder came from Japan, Germany, and Spain.

Wheat flour constituting about 3 percent of our total imports during the year 1933, dropped from ₱4,903,878 in 1932 to ₱4,770,990 in 1933, registering a decrease of ₱132,888, or a difference of 3 percent. The United States supplied about 68 percent of the total imports while the rest came from Australia, Canada, Japan, and other countries.

The total of our imports of silk and rayon manufactures decreased by ₱130,899 or 3 percent. The total value imported during 1933 was ₱4,770,357, as against ₱4,901,256 in 1932. The United States led the other countries in the supply of this merchandise, with Japan and China ranking second and third, respectively.

A considerable decrease of 21 percent was registered in our importations of tobacco products in 1933. This item constituted 3 percent of our total imports during the year, the value of imports for 1933 being ₱4,234,596 as against ₱5,386,142 in 1932, showing a difference of ₱1,151,546. About 98 percent of the total imports came from the United States while the remaining 2 percent were supplied by the Dutch East Indies, China, and other countries.

Vegetable fibers and their manufactures were the only commodities that registered an increase in 1933. This item constituted about 3 percent of the total importations and the increase realized was about 3 percent, the total value of imports for the year 1933 being ₱3,971,420 as against ₱3,862,189, or a difference of ₱109,231. Over 70 percent of the supply came from British East Indies, 9 percent from Great Britain, 6 percent from China, and only 4 percent from the United States.

The total value of the articles imported in 1933 other than those enumerated above was ₱51,703,587 as against ₱50,112,461 in 1932, thereby realizing a slight increase of ₱1,591,126 or 3 percent.

The economic and financial conditions of the country are also reflected in the business of its insurance companies. Aside from their principal aims of assuming risks and paying losses, insurance companies also use their huge resources to help commerce and improve the general economic condition of the country. On December 31, 1933, 91 insurance companies were in operation, of which 12 were domestic, 25 American, and 54 alien companies. During 1933, there were 8 companies which transacted life insurance; 80, fire; 47, marine; and 44, miscellaneous insurance. The total business transacted by all the insurance companies, except life, amounted in round figures to ₱1,702,539 and the total premiums received were ₱5,665,000. According to the examination made into the affairs of the domestic insurance companies and the annual statement submitted by foreign insurance companies, all of them except one foreign company were in sound

financial condition. The certificate of authority of the insolvent company was revoked and its business here liquidated.

During the first months of the year 1933, the monetary circulation was less than that of the corresponding period for the previous year. But since May to the end of the year, a substantial increase was noted as compared with the same period of the previous year, and the total circulation of the islands on December 31, 1933, was ₱99,942,687.96 or an increase of ₱11,500,453.26 as compared with that of the same date of the preceding year when the circulation was ₱88,442,234.70.

The gold standard fund, which, according to Act No. 3058, shall be maintained in a sum not less than 15 percent of the money of the government of the Philippine Islands in circulation and available therefor, was maintained throughout the year over the minimum limit. The cash balance of the gold standard fund amounted on December 31, 1933, to ₱44,623,735.44, which represents about 41.33 percent of the money of the Philippine Islands in circulation and available for circulation or about 16.33 percent more than the 25 percent maximum of the fund.

The treasury certificate fund takes care of the redemption at par of the treasury certificates issued. Its balance amounted to ₱89,036,354 on December 31, 1933. This amount covers 100 percent of all treasury certificates in circulation and available for circulation. It consisted of silver coins to the amount of ₱14,708,747 and of gold deposits in member banks of the Federal Reserve System in the United States to the amount of ₱74,327,607.

The following tables show the income, expenditures, and current surplus of the insular government for 1933 as compared with 1932, segregated by funds, viz, general fund, special fund, and bond fund:

Comparative budget statements

GENERAL FUND

	Fiscal year 1933	Fiscal year 1932
INCOME		
Revenue from taxation:		
Import duties.....	₱15,262,666.07	₱16,495,956.00
Excise tax.....	11,728,808.38	13,576,689.63
License and business tax.....	12,565,212.82	12,730,242.60
Income tax.....	3,089,534.97	3,413,186.68
Customs documentary stamp tax.....	605,962.08	636,789.37
Internal-revenue documentary stamp tax.....	635,818.72	655,703.56
Tonnage dues.....	447,736.03	390,071.27
Immigration tax.....	269,716.00	309,132.00
Inheritance tax.....	423,104.49	648,351.68
Franchise tax.....	153,382.28	154,754.02
Miscellaneous taxes.....		23,956.64
Apportionment of internal revenue to local governments, sec. 491, Act 2711.....	(3,164,083.55)	(3,164,083.55)
Total.....	42,017,858.29	45,870,749.90
Incidental revenue:		
Revenue from public forests.....	1,328,853.42	1,268,391.94
United States internal revenue.....	766,141.77	712,369.79
Fines and forfeitures.....	461,638.45	612,342.34
Sales of public domain.....	90,394.40	110,991.22
Interest on bank deposits.....	337,614.12	578,490.80
Interest on loans.....	352,023.89	343,089.98
Other incidental revenue.....	65,978.94	45,432.50
Total.....	3,402,644.99	3,671,108.57
Earnings and other credits:		
Operating income of commercial and industrial units.....	5,728,333.95	6,243,317.55
Income incidental to functional activities.....	2,886,126.16	3,435,132.95
Sales of fixed property.....	71,345.30	25,514.85
Adjustments, prior year expense.....	640,843.85	308,283.26
Inventory adjustments.....	22,250.66	4,474.94
Repayment of loans to local governments under sec. 4, Act 3227.....		4,300.00
Repayment of advances to the Philippine Railway Co., Act 1497.....	281,048.40	295,211.31
Repayment of Philippine National Bank losses, Act 3174.....	1,000,000.00	
Total.....	10,629,948.32	10,316,234.86

Comparative budget statements—Continued

GENERAL FUND—Continued

	Fiscal year 1933	Fiscal year 1932
INCOME—continued		
Transfers and reversions from the special fund and bond fund:		
San Lazaro real-estate account, sec. 7, Act 2478.....	P 127,024.98	P 171,289.54
Friar lands estates account, Act 2550.....	207,792.09	133,552.92
Fidelity insurance fund, sec. 325, Act 2711.....	15,581.25	77,011.07
Land title assurance fund, Act 496.....	48,381.82	28,512.80
Rice and corn fund, Act 2818.....	60.06	21.40
Port works fund, Acts 3592, 3878, and 4050.....	675,000.00	500,033.74
Tobacco inspection fund, Act 2613.....	109.94	405.36
Seed farms fund, Act 3443.....	175.70	97.03
Bohol Filipino colony.....	231.62	108.49
Cagayan Filipino colony.....	14.36	454.14
Permanent bridges revolving fund, Act 3500.....		127,000.00
Financial interests protection bond fund, Act 3828.....	722,550.93	544,592.68
Manila Harbor board, Act 3947.....	200,000.00	
Total.....	1,996,922.75	1,583,079.17
Total income.....	58,047,374.35	61,441,172.50
EXPENDITURES		
Revenue service:		
Expense of revenue collection.....	1,449,716.89	1,691,968.15
Operating expense of commercial and industrial units.....	5,081,491.94	5,968,075.15
Total.....	6,531,208.83	7,660,043.30
Debt service:		
Interest and exchange on insular bonds.....	5,313,176.73	5,347,684.51
Contributions to sinking funds of insular bonds.....	3,968,208.73	3,690,470.57
Other incidental expenses for the issue and sales of bonds.....		2,735.59
Total.....	9,281,385.46	9,040,890.67
General welfare service:		
Legislation.....	1,692,272.25	1,961,828.33
Executive direction and control.....	2,232,849.81	2,878,423.09
Adjudication.....	2,725,077.46	3,000,586.49
Law and order.....	4,399,551.14	4,948,868.47
Public health.....	3,976,592.76	5,330,641.66
Protection against force majeure.....	180,026.53	198,017.77
Regulation of public utilities.....	75,414.78	110,336.37
Other protective service.....	340,110.59	448,834.57
Public education.....	14,724,480.36	18,601,712.75
Public correction.....	653,239.39	860,129.80
Public charities.....	227,813.78	588,834.66
Conservation of natural resources.....	700,149.70	722,152.05
Development of commerce.....	1,429,754.00	2,496,854.61
Development of agriculture.....	2,474,658.60	3,527,108.06
Philippine publicity.....	38,446.16	95,466.88
Development of industrial arts and sciences.....	446,621.03	498,162.44
Other economic development.....	241,209.61	257,945.85
Total.....	36,558,267.95	46,525,903.85
Investments:		
Purchase of the Philippine National Bank stock (private shares), Act 3174.....	12,630.00	5,800.00
Advances to the Philippine Railway Co. to guarantee interest payment on bonds, Act 1730.....	689,517.90	683,920.00
Advances to the Manila Railroad Co. to guarantee interest payment on bonds, Act 1730.....	1,542,775.17	
Incidental expenses in the foreclosure of mortgage with unconverted agricultural bank.....		12.40
Total.....	2,244,923.07	689,732.40
Miscellaneous and extraordinary charges: Retirement gratuities.....	840,442.32	275,299.51
Appropriations transferred to special fund:		
University of the Philippines.....	1,018,067.00	1,393,146.00
Cadastral survey fund (restoration of reverted receipts).....	7,066.88	351,572.99
Public land subdivision.....	150,000.00	
Total.....	1,175,133.88	1,744,718.99
Total expenditures.....	56,631,361.51	65,936,588.72
SURPLUS		
Increase or (decrease) in surplus during the year.....	1,416,012.84	(4,495,416.22)
Add surplus, Jan. 1.....	28,590,665.91	33,086,082.13
Surplus, Dec. 31.....	30,006,678.75	28,590,665.91

Comparative budget statements—Continued

SPECIAL FUND

	Fiscal year 1933	Fiscal year 1932
INCOME		
Revenue from taxation:		
Excise tax (manufactured oils, sec. 1495, Act No. 2711).....	P3,554,352.80	P6,744,583.95
License and business tax, etc. (motor vehicles, Act No. 3045).....	2,372,083.76	1,778,141.76
Wharfage fees, Act No. 3592.....	3,780,627.24	3,014,347.44
Total.....	9,707,063.80	11,537,073.15
Incidental revenue:		
Fines and forfeitures.....	75,851.53	69,756.89
Interest on loans and investments.....	454,413.73	356,062.88
Revenue from public forests.....	77.78	-----
Total.....	530,343.04	425,819.77
Earnings and other credits:		
Operating income of commercial and industrial units.....	928,176.70	801,600.08
Income incidental to functional activities.....	1,561,430.97	1,183,295.38
Voluntary contributions from the public.....	8,333.02	115,241.94
Other credits:		
Sales of fixed property.....	21,719.08	20,177.13
Sales of San Lazaro real estate.....	6,794.00	13,888.00
Sales of Friar lands real estates.....	200,599.00	188,288.11
Adjustments, prior year expense.....	88,471.51	28,652.97
Inventory adjustments (sales stock, and supplies and materials).....	.16	49.72
Totals.....	2,815,524.44	2,351,193.33
Appropriations transferred from the general land bond funds:		
University of the Philippines.....	1,018,067.00	1,393,146.00
Cadastral survey fund, sec. 1857, Act No. 2711.....	7,066.88	351,572.99
Public land subdivision, Act No. 4031.....	150,000.00	-----
Bond fund, Acts 3908, 3413 and 3417.....	-----	10,404,343.62
Total.....	1,175,133.88	12,149,062.61
Total income.....	14,228,065.16	26,463,148.86
EXPENDITURES		
Revenue service:		
Expense of revenue collection.....	618,644.08	662,877.58
Operating expense of commercial and industrial units.....	884,692.80	834,011.96
Total.....	1,503,336.88	1,496,889.54
General welfare service:		
Public education.....	1,918,251.17	2,304,243.10
Development of commerce.....	4,825,436.46	5,219,003.84
Development of agriculture.....	4,148,072.99	4,681,382.87
Philippine publicity.....	93,065.09	36,776.20
Public charity.....	146,752.20	192,230.68
Protective service.....	1,190,791.35	1,290,975.26
Other economic development.....	253,096.09	283,516.01
Total.....	12,575,465.35	14,008,127.96
Transfers and reversions to the general fund:		
San Lazaro real estate, Act No. 2478.....	127,024.98	171,289.54
Friar lands estates, Act No. 2550.....	207,792.09	133,552.92
Fidelity insurance fund, sec. 325, Act No. 2711.....	15,581.25	77,011.07
Land title assurance fund, sec. 496, Act No. 2711.....	48,381.82	28,512.80
Rice and corn fund, Act No. 2818.....	60.06	21.40
Port works funds, Act 4050 and 3878.....	675,000.00	500,033.74
Tobacco inspection fund, Act No. 2613.....	109.94	405.36
Seed farms, Act No. 3443.....	175.70	97.03
Permanent bridges revolving fund, Act No. 3500.....	-----	127,000.00
Bohol Filipino colony, Act No. 2254.....	231.62	108.49
Cagayan Filipino colony, Act No. 2254.....	14.36	454.14
Total.....	1,074,371.82	1,038,486.49
Total expenditures.....	15,153,174.05	16,543,503.99
SURPLUS		
Increase or (decrease) in surplus during the year.....	(925,108.89)	9,919,644.87
Add surplus, Jan. 1.....	27,986,457.33	18,066,812.46
Surplus, Dec. 31.....	27,061,348.44	27,986,457.33

Comparative budget statements—Continued

BOND FUND

	Fiscal year 1933	Fiscal year 1932
INCOME		
Earnings:		
Interest on bank deposits.....	P55,751.99	P75,852.72
Interest on bond investments.....	356,808.88	208,034.24
Discount on bonds.....	309,990.06	260,705.72
Total income.....	722,550.93	544,592.68
EXPENDITURES		
Appropriations transferred to special fund:		
Manila port works, Act No. 2908.....		540,793.77
Public improvements of 1921, Act No. 2940.....		5,530,863.89
Cebu Port works, Act No. 3413.....		1,750,292.41
Iloilo Port works, Act No. 3417.....		2,582,393.55
Total.....		10,404,343.62
Reversion of income to general fund.....	722,550.93	544,592.68
Total expenditures.....	722,550.93	10,948,936.30
SURPLUS		
Increase or (decrease) in surplus during the year.....		(10,404,343.62)
Add surplus, Jan. 1.....	10,156,000.00	20,560,343.62
Surplus, Dec. 31.....	10,156,000.00	10,156,000.00

Among the income items shown in the general fund budget statement are included some extraordinary receipts, as follows:

	1933	1932
Adjustment of prior year deposits:		
Import duties.....		P3,051,628.31
Excise tax.....		1,426,623.55
Surplus transferred from—		
Philippine National Bank profits.....	P1,000,000.00	
Manila Harbor board fund.....	200,000.00	
Port works fund, Act No. 3878.....	675,000.00	500,033.74
Permanent bridges revolving fund.....		127,000.00
Repayments to prior year's expenses.....	640,843.85	308,283.26
Total.....	2,515,843.85	5,413,568.86

These items, when deducted from the total income given in the statement, will leave a total of regular income of P55,531,530.50 for 1933 and P56,027,603.64 for 1932, or a decrease of P496,073.14 which is, nevertheless, a comparatively more favorable result than that registered at the end of 1932 when the total regular income showed a big decrease of P9,955,498.60 from that realized during 1931.

The total expenditures for 1933 amounted to P56,631,361.51 as against P65,936,588.72 for 1932, or a decrease of P9,305,227.21. This decrease is the result of the rigid retrenchment policy and other economy measures adopted by the legislature and executive branch of the government, supported by the sincere efforts of all concerned to reduce the expenses.

The special fund statement covers continuing appropriations or funds whose unexpended balances do not revert to the general fund at the end of the year, but remain available until exhausted, or until otherwise provided by legislative enactment. In this statement, it will be noted that the total receipts during 1933 amounted to only P14,228,065.16 as compared with P26,463,148.86 during 1932, or a decrease of P12,235,083.70 during 1933. Deducting from this amount the sum of P10,404,343.62, representing balances of the proceeds of the sale of Manila Port works bonds, public improvements bonds, Cebu Port works bonds, and Iloilo Port works bonds transferred from bond fund to special fund during 1932 which in reality is not a regular income, there would remain a net decrease of only P1,830,740.08 which could be attributed to a decrease in the collection of excise tax on manufactured oils during 1933 amounting to P3,190,231.15.

This amount was, however, partly offset by increases in the collection of licenses for motor vehicles in the amount of ₱593,942 and wharfage fees in the sum of ₱766,279.80 during the same year.

The total amount of bonds issued by the Philippine government up to December 31, 1933, was ₱189,859,400. Deducting from this sum the amount of ₱15,-494,700 representing collateral bonds issued against provincial and municipal bonds held by the insular government, the bonded indebtedness of the Philippine government on December 31, 1933, would be ₱174,364,700. Of this amount ₱149,450,000 were obligations of the insular government and the balance of ₱24,914,700 were obligations of the provincial and municipal governments. According to law, sinking funds are kept for the redemption of the bonds upon maturity. For the sum of ₱149,450,000 worth of bonds issued by the insular government, sinking funds amounting to ₱58,954,341.82 are set aside, and for the bonds issued by the provincial and municipal governments amounting to ₱24,914,700 the total amount of sinking funds set aside is ₱10,128,396.08. Thus the net bonded indebtedness of the insular government would be ₱90,495,658.18 and that of provincial and municipal governments, ₱14,786,303.92.

The debt limit of the insular government as provided in section 11 of the Jones law, as amended, is an amount equal to 10 percent of the assessed value of the taxable property of the country at any one time, excluding the bonds issued for the purchase of the friar lands estates amounting to ₱14,000,000. The total assessed valuation of the taxable property of the islands as of December 31, 1933, amounted to ₱1,917,550,236. Under this basis the insular government is, therefore, authorized to incur a total indebtedness of ₱191,755,023.60, plus ₱14,000,000 for the purchase of the friar lands estates. In addition to this, the insular government is also authorized to issue collateral bonds not exceeding ₱20,000,000 secured by an equivalent amount of bonds issued by provincial and municipal governments.

The above bond-fund statement shows that in 1933 the balance of the proceeds of the sale of insular bonds has remained the same in 1932, which is ₱10,156,000. This amount is the proceeds of the sale of the financial interests protection bonds, the proceeds of all other issues having been transferred to the special fund in 1932. The net receipts from the investment of the proceeds of the sale of the bonds for the protection of the financial interests of the government amounted to ₱722,550.93 during 1933 which amount was reverted to the general fund at the end of the year in accordance with the provisions of Act 3828.

In order to complete this brief survey of the finances of the government, it is necessary to consider the activities of the business enterprises under its jurisdiction in view of the large amount of money invested in them.

As in previous years, the activities of the National Development Co. had been confined to the supervision of its investments. The total income of the company, exclusive of the coal department, in 1933 amounted to ₱15,443.18 as against its total expenses of ₱8,653.42 or a gain of ₱6,789.76. The loss, however, sustained by the coal department amounted to ₱2,005.09 so that there was only left a net gain of ₱4,784.67.

The total paid-up capital of the National Development Co. as of December 31, 1933, amounted to ₱5,936,000, the same as that of last year. The important investments of the company amounted to ₱3,038,339.90, and are distributed as follows: Cebu Portland Cement Co., ₱2,750,000; and Sabani estate (net cost), ₱288,338.90. The total amount invested during the year was the same as that of the preceding year.

The sum of ₱2,750,000 represents the investment in the 2,750 shares of stock of the Cebu Portland Cement Co. purchased at par, which is more than 99 percent of the total paid-up capital of said company. The Cebu Portland Cement Co. has accumulated earned profits amounting to approximately ₱2,700,000, which will accrue to the National Development Co. if dividends are declared. The financial condition of the Cebu Portland Cement Co., as in the previous years, has been satisfactory. The assets of the company aggregate ₱5,460,835.48 in 1933 as against ₱5,284,944.61 in 1932, or a favorable difference of ₱175,890.87. The current assets amounted to ₱3,288,482.68 in 1933 as against ₱2,930,911.89 in 1932, or an increase of ₱357,570.79 in its liquid assets. This gives greater stability to the situation of the company whose liabilities in 1933 aggregated only ₱50,773.65 as against ₱115,865.27 in 1932, or a decrease in liabilities amounting to ₱65,091.62.

In spite of the lesser volume of both the production and sales as well as the decrease in return from every barrel sold during the year 1933, the company realized a fairly good profit which amounted to ₱258,483.73, or approximately 10 percent of the capital stock, and represented a return which might be considered satisfactory even under normal times.

The sum of ₱288,338.90 represents the original investment in the purchase of the Sabani estate, and expenses less receipts up to December 31, 1931. The property has been leased to a private party and its present assessed valuation is ₱601,650.

The year 1933 was a good year for the Philippine National Bank. The bank has realized net earnings amounting to ₱3,153,759.21 in 1933 as against ₱2,493,254.43 in the year 1932, or a net increase of ₱660,504.78. Of this amount, ₱1,820,425.88 was transferred to reserve for contingencies to cover possible depreciation in assets, ₱1,000,000 was reimbursed to the insular treasurer and ₱333,333.33 was transferred to surplus account in accordance with Act 3174.

The operation of the Manila Railroad Co. for 1933 showed a net profit of ₱21,431.98 as compared with a loss of ₱97,377.17 in 1932. The company would have earned greater profit had it not been for the fact that it paid an additional sum for adverse rate of exchange in the payment of interest of its indebtedness and provided the amount of ₱607,347.71 for depreciation of equipment.

RECOMMENDATION

Establishment of an independent monetary system.—In order to give the Philippines a monetary system better adapted to local conditions which could easily be devised or revised from time to time to promptly meet emergencies that might arise, inasmuch as the currency system of a country is an effective weapon to protect its economic position, early establishment of an independent monetary system is hereby recommended.

For further information of the activities of the bureaus and offices under this department, the briefs of their reports are appended hereto.

Respectfully submitted.

V. CARMONA,
Acting Secretary of Finance.

ANNUAL REPORT OF THE SECRETARY OF PUBLIC INSTRUCTION

DEPARTMENT OF PUBLIC INSTRUCTION,
Manila, March 12, 1934.

His Excellency, the GOVERNOR GENERAL,
Manila.

SIR: I have the honor to submit the thirty-second annual report of the department of public instruction for the calendar year ending December 31, 1933.

BUREAU OF EDUCATION

General statement.—In view of a very marked shortage in school funds, the service was fraught with serious hardships during 1933; so much so that the progress of the schools would have suffered no little setback had not those administering them made a redoubled effort to counteract the resultant effect. It is noteworthy that, notwithstanding all odds, the year exceeded the success achieved in 1932 in such important phases of the school work as increasing the total enrollment in the elementary grades; accelerating the efficiency of instruction; promoting health and vocational education; enriching the opportunities for adequate training; raising the status of the teachers; and reducing teachers' turn-over.

Maintenance and enrichment of educational opportunities.—The public schools started in the year 1900 with an enrollment of 6,900. During the following decade there was a very decided upward drift in enrollment, so that by the 1909-10 school year the number of pupils was at least 85 times as large as at the beginning. By 1921-22 the enrollment for the first time exceeded 1 million, and reached a total of 1,224,548 by 1931. However, in the school year 1931-32 it shrank to 1,213,419 and to 1,204,375 in 1932-33. This fall in enrollment was unavoidable considering the reduced school finances during the 1932-33 school year. It is gratifying, however, that the enrollment decreased from the school year 1931-32 to that of 1932-33 only in the secondary schools and not in the elementary schools, where, as a matter of fact, a slight increase in enrollment occurred.

The holding power of the secondary schools during the school year 1932-33 was the same as during the school year 1931-32, the pupils withdrawing from these schools being 9.54 percent of the total enrollment in either school year. In the intermediate grades the corresponding withdrawals were 11.44 percent in 1932-33 as against 11.46 percent in 1931-32. But in the primary grades the reverse was true, the percentage of withdrawals being 10.11 in 1932-33 as against only 9.99 in 1931-32. On the whole, a slightly greater percentage of pupils withdrew from the public schools during the school year 1932-33 than during the school year 1931-32.

In the secondary schools the trend of enrollment of students has been consistently toward vocational education. In fact 81.30 percent of the total enrollment in 1910 was in the academic curriculum, whereas approximately 63.36 percent only of the high-school students were enrolled in the same curriculum in September 1933. Reports from the field in September 1933 showed a decrease of 6,973 in the academic enrollment as compared with the same month in 1932. The normal enrollment showed a decrease for the same period of 0.61 percent, the commercial 0.23 percent, and the nautical 0.01 percent. However, there was an increase in enrollment of 0.51 percent in the agricultural curriculum, 1.49 percent in the trade curriculum, and 0.38 percent in the general vocational curriculum.

In all likelihood, the percentage of students enrolled in the strictly academic courses would be even smaller were the academic high schools financially able to offer vocational courses. As it is now possible to substitute vocational units for certain academic subjects, the demand for such an arrangement, once this

fact becomes generally known to parents, would very likely exceed the ability of the secondary schools to accommodate the number of students desiring such substitutions.

The curricula, constantly evolving, changing, and growing, represent deliberate attempts to inform the people, to change their attitudes, and to perfect their skills. Such objectives are plausible and wholesome. To help facilitate their attainment and to help make the school actively influence the life of the individual long after he has left its classrooms, the bureau had stressed upon the holding of community assemblies where civico-educational lectures covering every possible subject were given in English and in the different native dialects. With more or less similar ends in view, the *School News Review*, a current news periodical, continued to be published, and issued to the field during the year.

Broadening the opportunities for adequate training in the elementary schools was the object of a consistent attempt on the part of the school authorities, and to this end more and more of the primary or elementary schools are being provided with complete educational facilities. It is worthy of note that based upon incomplete reports from the Provinces in September 1933, 33.62 percent of all the elementary-school pupils were enrolled in the elementary schools where the fourth grade was the highest grade offered. The corresponding figure in the case of the elementary schools which offered complete intermediate course was as large as 46.18 percent. The achievement in the secondary schools in this respect was even more pronounced.

Vocational education.—As in the past 2 years, the vocational program during 1933 stressed upon adequate financing, clubwork, construction of more buildings, and improvement in the course of study. The improvement of supervision, the selection of students, and the selection of teachers were also of vital concern to the school authorities in pushing up the year's vocational progress. In this connection, the emphasis on the teaching of home economics and home mechanics, and the enrichment of vocational-school libraries were no less sustained.

Notwithstanding the reduced finances of the government for 1933, a total of ₱210,000 was distributed by appropriation to vocational schools; i. e., ₱37,500 for maintenance and equipment, ₱73,856 for vocational trade schools, ₱67,500 for vocational agricultural schools and ₱31,144 for vocational home-economics classes.

During 1933 no new secondary trade-school buildings were constructed, but the building of a considerable number of elementary shops was undertaken. Moreover, teachers' cottages and new rooms and dormitories were added to several of the academic buildings in agricultural schools. Besides, there were at the end of the year a number of agricultural schools with their building plans entirely completed or with only one or two more units to be constructed. The year, to be sure, closed with still four agricultural and rural high-schools where the buildings were not fully adequate. It is not for these, however, that funds are most needed, but rather with a view to increasing the area of the agricultural and rural high-school grounds.

There are at present 2,415 agricultural clubs with a membership of 29,491 pupils against only 2,044 agricultural clubs with no more than 26,476 members during 1932-33. That this showing was made in the face of increased financial difficulty under which the average club member was placed during the year, is significant indeed. In the case of the seventh-grade course in home mechanics, the result achieved during the year was no less noteworthy. Altogether, there were at the close of the year 723 shop buildings, with 4,920 work benches, and a total enrollment of 37,481.

Possibly the most notable development in vocational education was the marked increase in the enrollment in both agricultural and trade schools of graduates of academic high schools who desire to take a two- or four-semester course in trade or agricultural subjects. In the Philippine School of Arts and Trades, this short course proved so popular that it is now being planned to eliminate gradually the secondary four-year trade course and to convert the school into a straight vocational school with two years of specialized all-day vocational training. A large number of academic high-school graduates had sought admission in the agricultural schools as special students.

Largely as a result of better planning of the vocational courses of study, more efficient supervision, and increased professional attitude toward administrative and teaching problems, the year witnessed considerable improvement in vocational instruction. Moreover, a positive leaning of the elementary pupils toward industrial and agricultural activities in their communities was the object of a consistent attempt during the year by the bureau. Nevertheless, the elimination from the general office and in the Provinces of a number of supervisors of

vocational subjects would doubtless hamper the efficiency of vocational instruction, particularly with respect to the agricultural clubs which lost the most supervisors.

Of 11,540 boys enrolled in the Provincial schools offering both vocational and academic courses in 1933, 5,557, or as large as 48 percent, were enrolled in the trade schools. Of the total enrollment of boys in all our secondary schools, 23,718 were enrolled in the academic classes and 11,091, or as large as 47 percent, were enrolled in agricultural and trade courses. The enrollment in trade schools has practically reached its limit since such schools with their present equipment cannot enroll a greater number of students without seriously affecting their efficiency. In some cases, as in the trade schools in Manila, Cebu, and Iloilo, it may be possible to increase the enrollment by turning these schools into specialized, purely vocational schools for the graduates of the general secondary schools, or for the graduates of the elementary schools who choose to pursue a course of vocational training in which the educational prerequisite is no more than completion of the elementary course.

All graduates in 1933 of the teacher-training course in the Philippine School of Arts and Trades are now employed. In the majority of cases they replaced in the secondary trade schools experienced teachers who during the year retired from the service along with a number of principals of trade and agricultural schools. That on the average these new appointees have at once made relatively superior showing in their work is not at all strange, considering that they are well trained in the manipulations in connection with these courses, and are versed in the methods of imparting the knowledge to the students.

The home-economics program which was followed during recent years in the public schools was continued in 1933 with the improvement directed largely in accordance with plans previously adopted. With a view to developing standards, appreciation, and ideals of homelife that would lead to the most successful home membership, a study was made of the factors that condition the success of family life, such as the house and its furnishings, the grounds, household management, home making, the home as a school, and the relation of the family to the community. Coupled with this, selection of teachers was made, and intelligence tests proved a useful aid in this connection. In Provinces where the teaching load of the home-economics teachers permitted, they initiated or continued extension work which consisted of demonstrations given informally to groups of women who met in conveniently located homes. In general, the demonstrators concerned themselves mainly with the proper solution of the problems of nutrition, of clothing, and of economy in household management. This service was extended in cooperation with the bureau of health by preparing popular material for insertion in a monthly health publication of the bureau of health known as the "Health Messenger." The service was availed of by some 150 nurses who took advantage of the demonstrations where the preparation of common foods in cheap, simple, scientific ways was stressed upon.

Health and physical education.—The general health work in all schools during 1933 was chiefly concerned with sanitation and hygiene of the school, health education, physical education, and health aids. In this connection, the equipment of the schools, including sanitary toilets, drinking-water supplies, and hand-washing facilities, were considerably improved. Attention was also given to the improvement of lighting, seating, and ventilation in the classrooms. Likewise, health instruction and the supervision of the hygienic habits of pupils were emphasized. In the field of physical education the activities were directed to the physical development of all the pupils with a view to the preservation and promotion of their general health. As will be seen, this was a departure from the defective practice of concentrating upon a few superior athletes. As to health services which constituted the fourth major concern of the bureau during the year in connection with health work in the schools, they were rendered through bureau of health doctors and nurses, through bureau of education nurses and first-aid teachers, and through Red Cross nurses and dentists.

Reports from division superintendents show that much progress was achieved in the construction and use of sanitary toilets in the homes of teachers and pupils. The promotion of health education in the home was also accelerated by means of demonstrations in connection with the garden-day celebrations, the child-health day observance, and during other appropriate occasions.

One specialist and one supervisor made up the general office personnel supervising health work in the entire system during 1933. These two were insufficient to cope with the increased need for the supervision of health work in the field taking into account that much of their time during the year was taken up with preparation of materials. While 10 divisions had supervising teachers of hygiene

and sanitation, health supervision was retarded, because these officials lacked preparation in health education. They were insufficiently trained to supervise health work, there were not enough teacher-nurses to render the health services, and travel funds were limited. At present, there is need for properly trained supervisors of the school-nursing service and of the work of the teachers engaged in health instruction.

During the year, students, classroom teachers, principals, and supervisors numbering 1,671 underwent special instruction and training in health education in the Baguio professional classes, in the regional vocation schools, in the secondary schools offering normal training, and in the normal schools proper. Twenty-two teacher-nurses, or approximately 25 percent of those employed in the bureau, attended the special course in school nursing in the Baguio vacation assembly. Fourteen new teacher-nurses were given special instruction in the general office before they were assigned to their positions. Of the 87 teacher-nurses in the service, 28, or 33 percent, are public health nursing graduates, and 43, or approximately 50 percent, attended vacation classes at least once during the past 2 years. It was necessary indeed that every possible facility for giving teachers of health work in-service training should be availed of, considering that sufficiently adequate supervision of their work was not available.

Teachers' manuals for health-teaching activities and a guide in health education for elementary schools were partly prepared by the general office, and their use experimented upon in various divisions during the year. Aside from these, a plan for cooperative medical and nursing work in the schools was prepared in collaboration with the bureau of health and the American Red Cross. Moreover, a plan whereby more effective work by the various government agencies contributing to the improvement of nutrition was formulated by the committee on nutrition in which the bureau is represented.

Improvement of instruction.—A continuous study is being made of the present curriculum with a view to making such revisions as may appear necessary in order to adapt them more closely to conditions obtaining in the country. The general secondary curriculum which was last year started in Batangas and Capiz is gaining support in these Provinces. This is called "Type A general curriculum", and its essential feature is the inclusion of vocational courses in the general secondary course. Under this plan the second year of what is known as the "exploratory course" is followed by 2 years of advanced vocational training in agronomy, horticulture, woodworking, machine shop, poultry, and swine breeding. Another somewhat modified general secondary course known as "Type B general curriculum" was offered in Masbate, Romblon, Bohol, Nueva Vizcaya, Antique, Zamboanga, and Isabela. According to this one, a student may take the vocational home-economics courses either as additional subjects or as substitutes for geometry in the second year, advanced algebra, and review arithmetic in the third year, and physics in the fourth year. These changes furnished greater motivation of learning on the part of the students and, along with the revision of elementary courses of study, they were material factors in the general improvement of instruction. Improvement of instruction was likewise accentuated during the year by thorough research and more practical supervision, improved demonstration teaching in the elementary and secondary classes, and better methods of instruction.

Teacher training and supervision.—As the teachers undoubtedly constitute a basic factor in promoting the efficiency of instruction, the improvement of their educational and professional status was regarded by the bureau one of its most serious undertakings. Compared with 1932, the objective set forth in this case in 1933, could be attained with less difficulty in view of the fact that the average applicants for teaching positions were relatively better prepared educationally and professionally than applicants of former years. Thus, on the average, teachers of higher qualifications were appointed during the year to new positions, or to vacancies occurring because of resignations and other causes.

The enrollment in the various normal courses decreased from 1931 to 1932, and showed a further drop in 1933. These decreases in enrollment were the results of the inability of the public elementary schools to employ normal graduates as fast as they complete their training. Aware of the difficulty of getting employment after the completion of the normal course, those who might otherwise enroll in the normal schools, or who might take normal courses given in conjunction with the general secondary course, had chosen courses with more attractive prospects for securing work.

While the number of Filipino teachers decreased from 26,979 in 1932 to 26,379 in 1933, there were 10,682 of those who were college or normal graduates in 1933 as against only 9,853 in 1932. In 1925, only 8.52 percent of the Filipino teachers

were college or normal graduates. This proportion steadily increased during the succeeding years, and in 1933, these teachers were already 40.49 percent of the entire Filipino teaching force of the bureau. In the case of the elementary teachers the number of college or normal graduates who were in the service in 1933 exceeded the corresponding number for 1932 by as large as 4.54 percent. There is a tendency for the average educational and professional qualifications of teachers to rise, and from all indications this tendency will gain additional momentum in the near future.

The year 1933 registered a marked reduction in the number of Filipino teachers with 1 or less year of experience. Those who had 2 or less years but more than 1 year of experience, also showed a very considerable decrease. On the other hand, those who had experience of 11 or more years kept up the increase started a few years earlier. There is no question that the ultimate benefit offered by the pension law constitutes a powerful and steady attraction for teachers to the service.

The percentage of replacement of insular teachers was larger in 1933 than in 1932. This was not true in the case of Provincial and municipal teachers whose replacement was smaller in 1933 than in 1932. The total percentage of replacement of teachers in the bureau decreased from 11.82 percent in 1932 to 9.78 percent in 1933. The year's percentage of teacher replacement would have been lower yet than as it was, were it not for the separation of a larger percentage of temporary teachers from the service during the year.

Educational measurements, experimentation, and research.—Survey tests in general science, geometry, food, and health-education subjects, were given during the period from January to March, inclusive, of 1933. In connection with the fourth biennial rural vocational survey, grades 5 and 6 of rural schools not previously tested, were given advanced examinations in arithmetic, reading, language, dictation, and composition, and in geography and music. Second-year classes in vocational schools were also given advanced examinations in arithmetic, reading, language, dictation, and composition. In connection with the second barrio-primary survey, grades 2 and 3 of barrio schools not previously tested, were given examinations in arithmetic, reading, language, and dictation. Grade 1 pupils in these schools were also tested in reading and number work. These surveys were started in September, and not in July, as in previous years, to give the schools more time for adjustment, especially those that opened their classes rather late because of depleted funds. Moreover, as in the past, applicants for admission in the Philippine Normal School were given entrance examinations which, for the first time, were supervised by the general office.

Experiments so far show results in favor of continuing the present one double-session program. It was also shown by experiments that any attempt to increase teachers' load is bound to cause a resultant loss in teaching efficiency in the form of poor scholastic achievement on the part of the students.

During the year, various research studies were conducted in the general office and in the field. Five studies covering problems in connection with the teaching of elementary subjects were completed. A study on teaching load of secondary teachers and another on specific teaching needs and on teachers' special qualifications, were also completed. Materials developed from four other studies were issued to the schools. In the field, there were completed 14 other studies touching upon such problems in the elementary and high schools as those which pertain to instruction, finances, administration, organization, retardation, and school population. Altogether, 14 studies being conducted by the general office and the field personnel were still in progress at the close of 1933.

In response to a request from the United States Commissioner of Education, the reports of the surveys conducted during the year, the summary of the experiment on the two single-session program, and the digests of the most important studies completed, were sent to the Office of Education, Washington, D. C., to complete the bibliography of the educational research being compiled yearly in the United States. Such a recognition as has been accorded by the United States Office of Education, through its bibliography, to the type of research work being done in the Philippine public schools, represents a signal achievement, and should stimulate further efforts in this line among Philippine educators and research workers.

Finances.—The total appropriation for sundry expenses was reduced from ₱1,161,700 to ₱665,585; the appropriation for furniture and equipment was reduced from ₱19,671 to ₱9,855; and all items of insular aid were reduced 25 percent. In addition to the forced savings of ₱250,329.43 required from the bureau of education appropriation by the general appropriation act for 1933

(Act No. 4032) and by Act No. 4063, a reserve of ₱677,000 was also ordered by the secretary of public instruction in accordance with an agreement of the cabinet. This reserve, however, plus an additional amount of ₱700,000 making a total of ₱1,377,000, was made available later in the year by Act No. 4066 as emergency insular aid. Tuition fees and voluntary contributions were as heretofore, also sources of school income. The amount realized from tuition fees totaled ₱668,164.10 and that from voluntary contributions was ₱633,376.08, consisting of money, land, labor, and materials.

In 1932, expenditures by the insular government for aid to provinces and municipalities amounted to ₱12,784,806.45. Of this amount, ₱1,401,500 went to permanent improvements and the remainder to teachers' salaries. Altogether, of the total government expenditures of ₱27,911,060.10 for school purposes for that year, 74.25 percent, or ₱20,724,424.56 was expended for salaries; 11.82 percent, or ₱3,297,501.83 for outlay; and 13.93 percent, or ₱3,889,133.71 was used for other expenses.

The school expenditures from insular and provincial funds in 1932 were ₱2,354,467.30 and ₱286,004.23 less, respectively, than in 1931. On the other hand, the expenditures from municipal funds were ₱287,163.10 more in 1932 than in 1931. The net decrease in the total school expenditures from all government sources in 1932 as compared with the corresponding expenditures in 1931 was therefore ₱2,353,308.45. The decrease in the insular expenditures during 1932 resulted largely from the smaller amount of public works appropriation released and from the smaller amount made available in the general appropriation act. The decrease in provincial expenditures resulted principally from the reduction in the expenditures for capital outlay. Municipal expenditures increased largely as a result of the larger amount expended for permanent improvements.

Buildings and sites.—During the calendar year 1933, very little construction was undertaken because the funds in the public works act for school buildings were not released. Moreover, the local money appropriated for outlay purposes mostly went to salaries. Act No. 4110 extended the time for the expenditure of funds provided in Act No. 4059 (public works act for 1933) until December 31, 1934, so that this act takes the place of the 1934 public works act since no public-works appropriation for 1934 was passed in the last legislative session. It may be added that of 139 projects whose funds still remained unreleased up to May 25, 1933, the amount of ₱268,900 corresponding to 133 projects was released before December 31, 1933, for buildings and operations. The most important buildings constructed in 1933 were Isabela Central School, 6 additional rooms; Cavite High School, 6 additional rooms; Lopus Norte, La Paz, Iloilo, 4 rooms; Mariquina Central School, Mariquina, Rizal, 4 rooms.

During the year, emphasis was placed on the survey and registration of school sites. In a number of divisions, marked progress was made in this direction. The provinces leading in the registration of school sites were Leyte, Capiz, Cebu, Iloilo, Samar, Bohol, Antique, Cavite, Occidental Negros, La Union, Surigao, Davao, Ilocos Norte, Camarines Sur, and Isabela. It was fortunate that due to lack of funds for necessary surveys, delays could not be avoided in the registration of school sites in some divisions. In other places, the registrations were delayed because of absence of judges and crowded court calendars. However, with the general land registration office generously assisting in furnishing needed information, the difficulties met with in connection with the acquisition of school sites were somewhat minimized.

Operation of the teachers' pension law.—The income of the teachers' pension and disability fund for the period from June 1, 1922, when the law went into effect, to December 31, 1933, was ₱22,073,433.13. Of this amount ₱2,533,648.99 accrued to the fund in 1933, which, by the way, is ₱295,768.62 more than the income for 1932. The number of teachers retired in 1933 was 326 as against only 160 for 1932, resulting therefore in the increase of 103.75 percent for 1933 in the number of teachers retired. Altogether, the teachers retired for the period June 1, 1922, to December 31, 1933 numbered 1,268.

Recommendations.—As in 1933, the bureau is desiring favorable action on the following: Annual increase in the insular appropriation of ₱50,000 for the extension of schools until all children of elementary-school age have been accommodated; enactment of permissive legislation to increase school revenues; conducting of a school census to include all children of school age; setting aside of a definite provincial income for secondary schools; and legislative authority to pass upon the plantilla of personnel for provincial schools.

DIVISION OF PRIVATE SCHOOLS AND COLLEGES

Personnel.—Walter G. M. Buckisch ceased to be commissioner of private education January 1, 1933, his position having been abolished. From that date, he served in the capacity of technical adviser on private education to the Governor General with assignment to the department of public instruction. It is a matter of common knowledge that Mr. Buckisch, as commissioner of private education and later as technical adviser on private education, demonstrated ability and efficiency of the highest order. On June 22, 1933, he retired under the teachers' pension law and returned to the United States.

During the entire year the division of private schools and colleges was under the direction of Mr. Lino J. Castillejo, chief inspector of private schools and colleges, who had supervision over the personnel and performed his duties under the direct jurisdiction of the under secretary. It may be stated in this connection that the appropriation act for 1934 has changed the designation of the head of the division from chief inspector to superintendent.

Problems affecting the private schools.—The year was a difficult one for all private schools. The depression brought down the enrollment to 92,579 in 1933-34 school year from 93,502 in 1932-33 school year, the biggest decrease being in the high-school field and in the colleges of education. The students found it hard to pay the tuition fees. Many parents were forced to discontinue sending their children to private schools. As a result, many private schools had to reduce the salaries of their teachers. Worse still, many schools had difficulty in paying teachers' salaries on time. There was no improvement made in the equipment of many of the schools. Those affected most adversely by the depression were the nonsectarian schools, especially the smaller ones.

Problems affecting the division.—Notwithstanding the reduced appropriation for traveling expenses, all schools were inspected except 10 during the year. It had been necessary, however, to reduce the number of inspection trips and the inspectorial staff had been forced to use third-class land transportation with the exception of a few long trips on the train. The number of schools visited four or more times during the year considerably decreased. As it was, the division found it exceedingly difficult to give what is believed a satisfactory amount of checking of the equipment of the private schools, their records, classroom instruction, and progress.

Of necessity, the division was not a little concerned with such problems of the private schools as the unusually low pay given the teachers, delay in paying teachers' salaries, and giving salaries in the form of board and room with an addition of ₱5 per month. The practice is, of course, improper and various attempts were made during the year to put a stop to it. When private schools found themselves not in a position to meet the minimum standards prescribed by the government for lack of sufficient income or for other reasons, either they had to cease operating on their own volition or they forfeited their right to operate with government approval if they failed to satisfactorily improve their standards immediately after they were found deficient. For failure to meet the requirements, two schools lost government recognition and one school lost government permit during the year. Twenty-one other schools lost part or all of their approval for having voluntarily given up the operation of part or all of their approved courses.

Departmental tests.—During the year, 67 private schools regarded by the division as more or less belonging to the average group or below it, were tested. Steps are now being taken to mete out appropriate punishment to the schools that did poorly in this test as well as in the tests given previously. Drastic action is particularly contemplated in the case of the schools that have been failing to maintain even the minimum standard in regard to equipment and other physical aspects. The result of another departmental test, which is now being given, will also be used as a basis in ascertaining the weak schools with respect to instruction.

The teaching force.—During the year, the number of fully qualified teachers in the elementary and secondary schools increased to 2,710 from 2,431 in 1932, due largely to the fact that there is now an abundant supply of qualified candidates who are willing to accept appointment at reasonable compensation. On the contrary, the number of unqualified or unlicensed teachers decreased considerably. The part-time instructors, the majority of whom are teaching technical collegiate courses, increased to 895 from 887 in 1932. As it is, this increase in part-time instructors is not considered as signifying a backward tendency, especially when it is borne in mind that the full-time instructors also increased, these from 2,756 to 2,890. The length of service of instructors also showed improvement during the year.

Statistical digest.—During the year, the number of courses operated by the private schools and colleges increased to 924 from 823 in 1932, and the number of separate schools increased to 406 from 379 within the same period. The new permits issued were 44 as compared with only 38 in 1932, and 105 permits were issued to old schools, whereas only 69 were issued in 1932. On the other hand, more corporate authorities were issued in 1932, they being 8 against only 2 during the year. The number of reference and library books increased 5 percent, or from 331,336 to 350,291. The increase in the number of subscriptions to magazines and periodicals is especially remarkable, it being from 3,935 to as many as 12,830, or 226 percent.

Recommendations.—The superintendent of private schools and colleges has the following recommendations: Transfer of the office of the inspector of the district of Luzon to new quarters in order to give the inspector of tests and measurements a space sufficient to take care of the activities required in the preparation and correction of test papers and the safekeeping of test papers and test results; change of designation from that of inspector to that of general supervisor for the ranking men of the division and to supervisor in the case of the others.

BUREAU OF HEALTH

General statement.—In 1933, the general condition remained practically the same as in 1932. There were outbreaks of cholera in some of the Visayan Islands, but after some time they were placed under control. Despite depleted finances, health administration improved. There was added vigilance on the part of the health authorities in order to conserve health and life.

In all Philippines, the marriage rate per thousand population as computed from incomplete returns, was 11.32; the corresponding birth rate was 31.10; and the death rate, 20.24. On the other hand, the 1932 rates per thousand population were as follows: Marriages, 13.65; births, 39.18; deaths, 18.57. In Manila, the marriages were 17.73 in 1933 against 17.37 in 1932 per thousand population; the births were 57.37 in 1933 against 57.80 per thousand population in 1932; and the deaths 24.78 in 1933 against 24.24 in 1932 per thousand population. The infant mortality also increased in 1933 both in Manila and in the entire Philippines. Obviously, the aggregate mortality for 1933 would have been still greater were it not for the continuous war waged against diseases during that year.

The number of physicians under the Bureau in 1933 was 590 as against only 534 in 1932. The number of employees also increased from 3,992 in 1932 to 4,252 in 1933. These increases resulted from the transfer to the bureau at the beginning of 1933 of organizations and entities hitherto not a part of it, namely: The maternal and child hygiene division which included the maternity hospitals and the puericulture centers, the Southern Islands Hospital, and the former tuberculosis commission.

General sanitation.—During the year, the sanitation activities in the Archipelago followed the same general lines pursued during previous years. In Manila, all surface wells found were ordered closed. The water supply was, as in 1932, adequate, more so since added care was used to keep it fully safeguarded. Besides, 176 bored-hole latrines and 234 septic tanks were constructed; the connection of as many as 235 homes to public sewer was made; and the installation in private houses of pail toilets numbering no less than 1,109, was completed. Notwithstanding the great reduction made by the city municipal board in the funds for rat extermination, the campaign in this connection continued undiminished during the year. Even the Philippine carnival was placed under strict health surveillance.

In the provinces, water supply still remains a big problem as many people are still dependent upon river water, surface wells, and springs. To reduce the chances for contamination of water supply, the construction of sanitary dug wells, artesian wells, and other water works, was undertaken in several provinces under the initiative of the health officers and civic-spirited citizens. Too, every district health officer commenced a 5-year campaign for the construction of latrines starting with the houses of government employees. The progress made is shown by the fact that 2,577 and 2,435 bored-hole latrines were constructed during the second and third quarters of the year, respectively, in all except Marinduque and Batanes provinces.

Incomplete reports from the field show that smallpox vaccinations were performed in 2,137 barrios of 132 municipalities covering 16 provinces by 11 vaccinating parties detailed to render this service. Including the figures for Manila which numbered 49,495, the year's number of smallpox vaccinations for

the entire islands was 2,401,178; in Manila alone, there were administered mixed cholera and typhoid-paratyphoid vaccinations numbering 245,921, and in addition 830,599 revaccinations. Besides, there were mixed cholera and dysentery vaccinations numbering 112,431 and 71,883 revaccinations in Manila. In the provinces, the other vaccinations during the year numbered as follows: Mixed cholera and dysentery, 3,498,452; mixed cholera-typhoid and typhoid-paratyphoid 1,482,589; anticholera, 7,714,435; antidyentery, 192,220; antityphoid, 389,298.

As in the past, the problems of sanitary engineering centered around such functions of the bureau as: approval of building plans and inspections incident thereto; approval of building permits and final certificates and inspections incident thereto; structural sanitary inspections and issuance of sanitary orders relative to light and ventilation, water supply, waste disposal, drainage, sewer, plumbing and filling of lowlands; inspections and approval of premises intended for restaurants, bakeries, candy, and other factories and industries, preparatory to granting of licenses; special inspections, investigations, and surveys within the city on matters having to do with sanitary engineering and allied activities. The sanitary activities in the provinces differed from those followed in Manila only in that they were less diversified, conditioned as they were by less complicated health problems. They were of advisory capacity only.

Up to November 30, 1933, 1,129 building plans were approved; 972 buildings were completed, 1,429 permits for strong and light material constructions were approved and 453 disapproved; and 451 permits for light and mixed material structures were approved and 399 disapproved.

To check the deviations from sanitary laws and regulations, at least 500 structural sanitary orders were issued up to November 30, 1933. Two hundred and twenty-nine violations were taken to court, the respondents in 159 cases of which were convicted and penalized. Altogether, during the year, plumbing installations, alterations, and repairs numbered 1,872 and entailed an aggregate cost of P291,406.04. In addition, 253 premises were connected with sanitary sewer, 2,051 plumbing permits were issued, and one case of violation taken to court brought conviction, and the violator fined.

In 1933, the bureau performed its usual functions affecting industrial hygiene in Manila and in the provinces. Of 1,178 applications for business licenses, 877 were approved, 213 disapproved, 82 canceled, and 6 left pending. Business establishments numbering 1,181 underwent 5,118 inspections undertaken with special emphasis upon proper safeguards for workers' health and safety. Eighty-four establishments in Manila and 141 in the provinces had in their employ, physicians who were detailed to conduct periodical examinations of the physical condition of workers. Tobacco factories were given the most attention.

Epidemic diseases.—In 1933, cholera registered 2,188 cases with 1,545 deaths up to the month of November. Most of the cases and deaths occurred in the provinces of Samar, Leyte, Bohol, and Cebu. The prevalence of the disease was attributed to infected rivers and surface wells, to poor disposal of excreta, and to insanitary conditions of the homes and their surroundings. To control the epidemic, anti-cholera vaccination was resorted to extensively along with other classical sanitary measures.

From January to November 1933, 260 cases of dysentery with 85 deaths were registered in Manila as against 306 cases with 94 deaths during the same period in 1932. The disease also occurred in the provinces of Camarines Norte, Pampanga, Marinduque, Antique, Nueva Vizcaya, Cagayan, Capiz, and Occidental Negros. The dysentery situation in 1933 was, on the whole, less serious than in 1932.

In 1933, 240 cases with 82 deaths from typhoid occurred in Manila from January to November, as compared with 214 cases with 59 deaths during the same period in 1932. The general presumption is that extreme poverty among the masses with the resultant overcrowding of living quarters, was the root of the difficulty in combating the spread of typhoid. The disease was better controlled in the provinces where only 41 cases were reported.

During August 1933, there were reported 12 cases of poliomyelitis, a disease hitherto not known to have occurred in the Philippines. Upon a careful investigation of all the cases reported, 3 cases were confirmed, and 3 others were suspected owing to the predominance of clinical symptoms. Some of the cases reported were found to be diseases with symptoms more or less similar to those of poliomyelitis. In September of the year, 7 more polio cases with 1 death were reported. As a measure of controlling the disease, private physicians were advised of its presence in the islands, and their cooperation requested.

There were 1,921 cases with 910 deaths from whooping cough in 1932. There were 3,019 cases with 979 deaths in 1933, notwithstanding continuous recourse to precautions measures. High incidence of the disease was most apparent in Cotabato, Bohol, Pangasinan, Tarlac, and Tayabas.

Other communicable diseases.—During the year, the bureau availed itself of such precautions as will best control or eradicate such other communicable diseases as anthrax, cerebro-spinal meningitis, dengue, varicella, diphtheria, influenza, pneumonia, measles, and venereal diseases. As a result, none of these diseases occurred in alarming magnitude. Most of them, to be sure, were better controlled in 1933 than in 1932 as proved by the number of cases and deaths reported.

Control of tuberculosis, leprosy, and malaria.—From reports with incomplete data for 1933, the cases of tuberculosis in Manila decreased from 6,118 in 1932 to 4,956 in 1933, and the deaths from 1,933 to 1,855. The same reports show that in the provinces, the tuberculosis situation took a more decided turn for the better as shown by the decrease in tuberculosis cases from 34,875 in 1932 to 26,181 in 1933, and the deaths from 29,561 to 22,970.

The traveling X-ray service was inaugurated on July 1, 1933. From that date to December 23, 1933, 21,107 persons were given fluoroscopic examinations, i. e., 6,578 government employees, 9,409 students, and 5,120 other persons. The examinations revealed that 753, or 3.6 percent of all those examined, were cases of pulmonary tuberculosis. The X-ray clinic operated in Manila, Pasay (Rizal), San Roque (Cavite), and in the towns of Malolos, San Miguel, Bulacan, and Baliuag (Bulacan).

Various other means were availed of during the year with a view to effective control of tuberculosis. The Health Messenger had a monthly distribution of 30,000 copies. Batangas was provided with a tuberculosis pavilion last October. With the opening of the Cavite Municipal Sanitarium, a clinic and nursing service was inaugurated. Then there was built in Bulacan a model cottage to serve as clinics, a sanitarium was established in Cebu, and a tuberculosis pavilion was constructed in Iloilo. The tuberculosis survey units of which there were three in Luzon and one in the Visayas, had also much to do with the control of tuberculosis during the year.

Leprosy control consisted of detention and isolation of lepers, their treatment, release and follow-up of negatives, care of nonleprous children born of leper parents, treatment in skin dispensaries, and miscellaneous other allied activities. During the year, 2,386 positive lepers were detected and isolated in the treatment stations with the Culion leper colony admitting the largest number, the Eversley Childs Treatment Station in Cebu coming next, and the San Lazaro Hospital, third. These lepers were given such leprosy treatments as were found effective. On the other hand, 104 were released on parole during the year. In the skin dispensaries, as many as 13,821 individuals were treated. Sixty-eight nonleprous children born of leper parents during the year were placed under the care of the bureau of public welfare or under the custody of relatives or guardians.

As usual, the control of malaria during the year called for operative field activities. Malaria surveys were conducted in the mountain provinces, Cagayan, Tayabas, Camarines Norte, Samar, Oriental Negros, and Romblon, where malaria prevailed in more or less alarming proportion. Malaria patients were, so far as possible, supplied with appropriate medicines. Besides, field researches were made with a view to evolving effective methods of eradicating the disease.

Hospital and dispensaries.—With the Dipolog Emergency Hospital closed for lack of funds, and the Southern Islands Hospital which was formerly a branch of the Philippine General Hospital, placed under the bureau by virtue of the reorganization law of 1932, the number of hospitals in operation remained 46 during the year. An increase of beds in four important hospitals, namely, the Southern Islands Hospital, the Baguio Hospital, the Bukidnon Public Hospital, and the Nueva Ecija Provincial Hospital, brought the number of hospital beds from 3,586 to 3,707 within the year. There were in addition 1,054 dormitory beds in the various leper treatment stations outside of the Culion leper colony. It was unfortunate, that practically all hospitals, operating as they were with largely reduced income had considerably limited funds for expenses. In some of them where the actual collections were smaller than the estimated income, the personnel was alternately placed on forced leave to avoid incurring overdraft.

In order to augment the facilities for hospital service, the following constructions were undertaken during the year: Three pavilions for infectious diseases, 2 for the Baguio Hospital, and 1 for the Occidental Negros Provincial Hospital, completed; 2 doctors' quarters, 1 for the Capiz Provincial Hospital and 1 for the Pampanga Provincial Hospital, nearing completion; 2 nurses' quarters, 1

for the Southern Islands Hospital and 1 for the Nueva Ecija Provincial Hospital, nearing completion; 1 dispensary pavilion and 1 private patients' pavilion for the Tarlac Provincial Hospital, and stages 2 and 3 of the Bohol Provincial Hospital, work in progress; 1 helpers' cottage for the Albay Provincial Hospital constructed by the helpers themselves out of surplus materials, completed; 1 resident physician's quarters for the Cervantes Emergency Hospital, completed.

Various alterations and improvements were made on the quarters now occupied by the San Lazaro Hospital with a view to enlarging the public usefulness of the institution. Many provincial hospitals also underwent various major and minor alterations and changes with the improvement of hospital service as the dominating objective. A similar end was served by the acquisition by the Bukidnon Public Hospital of a Superfex refrigerator for the conservation of vaccines and fresh foodstuffs, the installation of X-ray apparatus in the Occidental Negros Provincial Hospital, and the transfer of bureau of science laboratory apparatus in Cebu to the Southern Islands Hospital.

The number of asylums was in 1933 the same as in the past several years—viz, the Insular Psychopathic Hospital, the San Lazaro Hospital, the City Sanatorium, and the Bilibid Prison insane ward. Patients confined in these institutions increased from 1,384 at the beginning of the year to 1,386 on December 15. In the Insular Psychopathic Hospital, there was serious overcrowding, the number of patients on December 15, 1933, being as many as 1,095 against a bed capacity of only 800.

At the beginning of the year, the public dispensaries in operation were 1,091. The people, fully realizing the concrete usefulness these institutions have in the preservation of health, gave them their enthusiastic support. Generous donations came from prominent persons in the various localities in the form of voluntary cash contributions and free materials and labor for construction. Even the free use of buildings for clinics was not unusual. Graduate nurses coming from the schools of nursing which are attached to the Zamboanga General Hospital, the Southern Islands Hospital, and the Baguio Hospital made up a large portion of the nursing personnel of these dispensaries, and of the different hospitals as well.

Maternal and child hygiene.—More than ever, the bureau engaged during 1933 in diversified activities relative to maternal and child hygiene. These activities had as their objectives the reduction of maternal and infant mortality and the proper development of the children of pre-school age and those attending public schools.

In Manila, the activities chiefly consisted of the operation of the Maternity and Children's Hospital and several training centers. The Maternity and Children's Hospital performed during the year the service of teaching health education to the hospital patients and former patients. Furthermore, it was utilized for the training of puericulture-center nurses before they were detailed for active service. The School of Midwifery in Manila where the applicants with certain requisite qualifications gain admission was extended cooperation by the maternity house by giving its students further practical training.

Like the Maternity and Children's Hospital, the various puericulture centers in Manila also served as training units for nurses and midwives and for graduating students of the College of Medicine, University of Santo Tomas. A step forward in the training of puericulture-center nurses was made during the year when the length of training time was increased from only 2 weeks to 3 months.

School health supervision in Manila was performed with the cooperation of the Manila city school authorities. It is a source of no little gratification to note that all school-lighting deficiencies were remedied. Another school-health activity consisted of the correction of bad habits of health and formation of good habits of health in the children with the teachers, nurses, dentists, and physicians cooperating. Under the joint auspices of the health authorities and the authorities of the Philippine Normal School, student-teachers of the Philippine Normal School were given training in first-aid work and in school-health service from the standpoint of teachers. A systematic sanitary inspection of all private schools was made for the first time by the health authorities during the year. A careful follow-up of cases of infectious or contagious diseases affecting school children was initiated during the year with a view to reducing the chances of spread of such diseases. Health examinations of 21,448 pupils of the Manila city schools were made by bureau physicians. Most of the other pupils of the city schools underwent health inspections conducted by nurses instead. Other cases of physical examinations numbering 941 were also made covering, for the most part persons desiring appointment to the government service, persons actually given

government positions for the first time or those who were reinstated, and those retiring from the service.

The puericulture centers in the Provinces resembled the Manila puericulture centers in matters of administration, organization, finances, personnel, and functions except that in localities where the organizations administering the centers were financially able, they generally had, in addition, a maternity house. At the end of the year, there was a total of 400 puericulture centers outside of Manila, but due to depleted funds, only 197 of these were active. An idea of the precarious condition of the finances of the puericulture centers may be gathered from the fact that while the total insular aid for such centers increased from ₱100,000 in 1924 to ₱215,000 in 1930, it went down to as low as ₱92,000 in 1933.

Other administrative tasks.—They comprised health education, health nursing, nutrition, and finances.

As in previous years, the 1933 health-education activity chiefly consisted of inculcating in the masses the concrete value of preserving and promoting their health. This was for the most part accomplished through the medium of pamphlets, leaflets, and posters which were distributed to the public; through answers to queries about health matters; through health works, lectures, conferences, and exhibits; and through the Health Messenger, a bureau of health publication, which devoted its pages to the dissemination of knowledge relating to causes and prevention of tuberculosis.

Health nursing, on the one hand, was concerned with the visits of nurses to the homes and the schools or their work in the clinics, undertaken with a view to giving patients a relief from specific ailment.

The campaign for enrichment of nutrition among the masses was given a very decided impetus when the Governor General under date of September 1, 1933, created a committee composed of 14 members representing different bureaus and offices and including private citizens engaged in endeavors in which the solution of nutritional problems is of paramount concern.

The net insular appropriation given the bureau in 1933, excluding the amount of ₱15,900 released by the Governor General from the appropriation under Act 3361 for the construction of provincial hospitals, was only ₱3,083,378.58 as against ₱3,726,117.90 in 1932, or a decrease of ₱642,739.32. As the 1933 insular appropriations for the bureau included the ₱455,410.28 set aside for institutions and activities transferred to the bureau at the beginning of that year, the actual difference between the 1932 and the 1933 total insular appropriations was accordingly considered to be as large as ₱1,098,149.60. In view of this big cut in the insular appropriations, it was but natural that expenses had to be reduced. This was especially true with many of the items for sundry expenses where the amount provided during the year was even less than 50 percent of the usual allotment. Partly because of this financial deficiency, 233 physicians, nonmedical officers, clerks, nurses, sanitary inspectors, and other employees were retired. Altogether, the total savings made through nonfilling of vacancies, nonpromotion in salaries, retirement of employees, and forced leave amounted to ₱353,640.19.

With regard to the provincial and municipal health funds, they were also very materially reduced, causing thereby a marked decrease in salaries and wages. Besides, numerous members of the personnel were forced to take leave varying from 2 to 8 months. Many of those whose services could not be dispensed with, actually worked without salary while on forced leave.

The pension and retirement fund.—The following is a statement of the pension and retirement fund of the bureau for the period from 1925 to 1933:

Year	Actual figures		Pensioners	Increase of pensioners
	Earnings	Payments		
1925	₱ 46,498.09	₱ 16,786.85	16	-----
1926	57,541.29	26,698.79	22	6
1927	67,500.01	33,956.43	36	14
1928	68,066.87	43,806.06	49	13
1929	66,474.70	47,240.29	56	7
1930	77,866.61	55,196.88	74	18
1931	77,233.74	59,527.29	78	4
1932	71,451.67	76,016.29	127	49
1933	75,861.50	112,405.83	131	4

From the foregoing statement, it is obvious that while the income of the pension and retirement fund of the bureau has been largely on the increase since 1925, said increase has not kept pace with the increase in the outgo from the fund. This fact and the fact that the net surplus of the fund on December 31, 1933, was only P136,859.77 as compared with a net surplus of P173,404.10 on December 31, 1932, or a decrease of as large as P36,544.33, indicates that in the absence of any other source of income than those now available, the situation creates a serious doubt as to the continued solvency of the fund in the future when, as must be expected, more pensioners will have been added to the employees now retired.

BUREAU OF PUBLIC WELFARE

The work of the year.—The reorganization law of 1932 created the bureau of public welfare out of the former office of the public welfare commissioner. As a result of the reorganization, the bureau of public welfare relinquished its control and supervision over the puericulture-center organizations all over the islands to the bureau of health, effective January 1, 1933, although the transfer of personnel, funds, equipment, and records was made on February 1 of the same year. In view of these changes, and the consequent transfer of 92, or 30 percent of its total personnel, to the bureau of health, and in view of the retirement of 33, or 10 percent of the same, the bureau was left with a considerably reduced personnel in 1933. In like manner the appropriation of the bureau, including the receipts for the maintenance of minor delinquents in the training schools, was reduced from P828,562.90 in 1932 to P426,610.29 in 1933, after deducting the amount of P218,029.58, which was transferred to the bureau of health along with the transfer of the division of maternity and child hygiene.

The overcrowded condition of the Government orphanage, coupled with the limited appropriation for the bureau during 1933, resulted in nonadmission to the institution of 25 deserving cases. For the same reasons admission to the department of the Government orphanage which housed nonleprous children from Culion had to be limited to 17 out of the 33 cases applying for admission, although 28 were found deserving. Moreover, the Government orphanage discharged many children who were partly in a position to earn their livelihood outside, or who could be properly taken care of by relatives or other persons interested in them. A similar congestion also obtained in the house of the aged and infirm, although during the year relief came in the form of adjustments in the appropriation, which made it possible to increase the capacity of the institution from 40 to 60.

The wards in the Boys' Training School on January 1, 1933, numbered 770. There were only 636 on December 31, 1933, for while the number of admissions during the year was 216, the wards discharged were as many as 350. Similarly, the number of wards in the Girls' Training School decreased from 102 to 67 within the year. Such reductions in the number of wards in the training schools are chiefly attributed to the establishment of probation service for minor delinquents in the provinces.

Notwithstanding the reorganization of the bureau and the consequent curtailment of its funds, the work in behalf of minor delinquents was carried on practically as usual. Including old and new cases, those supervised throughout the year numbered 1,419. Of the 561 discharges from probation, 465 were found successfully reformed. Of the probationers, 28 were arrested for subsequent offenses, and only 6 were arrested after they were completely released from supervision.

The tragic accident that happened in the Training School for Girls at Calle Agno, Manila, in which the lives of 11 girl inmates were lost as a result of the fire on the night of May 11, 1933, was the most unfortunate occurrence that befell the bureau during the year. The transfer of this school to Welfareville further made the problem of congestion in the latter institution difficult of solution. The building which formerly housed the aged and infirm became the temporary quarters of the Girls' Training School, thereby making it necessary to transfer its inmates to the hospital compound. The arrangement was, of course, far from satisfactory, but it was the best that could be made under the circumstances.

In the Provinces 31 provincial courts in 1933, as against only 26 in 1932, supervised the children on probation. There were cases directly handled by the division superintendents of schools, who, according to law, are the designated probation officers therein in the absence of any representative of the bureau.

During the year discharged women prisoners who were jailed for adultery and who were afterward given conditional pardon by the Governor General were, as

in the past, given aid by the bureau by securing temporary employment for them in Manila or by arranging for their return to their home towns.

Giving relief to the unemployed and certain other types of unfortunates was, as in previous years, of special concern to the bureau during the year. The service was rendered chiefly through the Associated Charities by giving financial aid to the latter and by detailing to it employees to give it clerical assistance and to conduct investigations of cases involving such social problems as desertion and abandonment, helpless widows, sickness, poverty, old age, insufficient income, imprisonment, and physical and mental defects. As many as 18,707 cases, representing 25 nationalities, were handled during the year, against only 8,531 cases in 1932. Of these, those given material assistance numbered 6,643, while those assisted in 1932 numbered only 2,331. Up to ₱1,615.12 was collected from deserters and distributed to their respective families. It might be said that in addition to the aid given by the bureau to this association during the year, which amounted to ₱8,000, there was a contribution of ₱5,000 worth of rice by the city of Manila and a donation of ₱2,500 from the office of the Governor General.

As in 1932 and since its foundation in 1907, the Gota de Leche, operating under La Protección de la Infancia, supplied scientifically prepared milk to artificially fed babies of poor mothers during the year. The babies attended to without pay numbered 588. In addition, 68 pay babies were served. Through the bureau this association received from the insular government a contribution of ₱10,700 in 1933, as against only ₱9,120 in 1932, thereby enabling the association to render a broader service during 1933.

During 1933 many orphaned, abandoned, and otherwise neglected children, as well as destitute women, found material relief from the Asociación de Damas Filipinas. This welfare work was, for the most part, extended to those concerned through a settlement house which, as heretofore, the association operated in 1933. The beneficiaries as of January 1, 1933, were 25 boys, 41 girls, and 9 women, or a total of 75. This total increased during the year to 315 as a result of the admission of 60 boys, 88 girls, and 92 women. The large number of admissions during the year was made possible by the increase of the amount contributed by the insular government, through the bureau, to the association from only ₱7,600 in 1932 to ₱12,000 in 1933.

During the year the bureau performed the role of the former office of the public welfare commissioner in the capacity of auditor of accounts for the Hospicio de San Jose de Barili, of Cebu, with a view to seeing that only proper and adequate investment was made of its revenues. This institution carried on more or less similar welfare activities as the Associated Charities.

In connection with the Christmas celebration of children held at the Malacanang grounds in the afternoon of December 24, 1933, under the management of a committee organized by His Excellency, the bureau was assigned to extend invitations to child-caring institutions in and around Manila and to children of poor parents in the city. About 2,000 children attended the party and were given Christmas gifts.

Building improvements.—General repairs of buildings in Welfareville and making additions to existing ones had to be undertaken during the year within the limited appropriation available, in order to improve and enlarge the present building facilities therein and to minimize the problem of overcrowding in the institutions.

Insular appropriations.—The insular appropriation for salaries and wages, furniture and equipment, and sundry expenses decreased from ₱302,978.20 in 1932 to ₱173,767.34 in 1933. The special insular appropriations decreased from ₱261,225.33 in 1932 to only ₱47,669.08 in 1933. The insular appropriation for the care, maintenance, instruction, and custody of neglected and delinquent children, in accordance with the provisions of Act No. 3203, as amended by Act No. 3309, also decreased, this from ₱192,230.68 in 1932 to ₱146,752.20 in 1933. All in all, the total decrease in these three items of insular appropriation for 1933 amounted to ₱388,245.59.

Community health-social center.—Before the end of the year the organization of a community health-social center in Manila was started. This organization, which is intended to provide the medical and social needs of the community, is the result of a combined effort of the bureau of health, the Philippine Chapter of the American Red Cross, the Philippine Islands Antituberculosis Society, the office of the health adviser to the Governor General, and the bureau of public welfare. During the year the bureau gave its material support to bring about the success of the movement by assigning personnel, lending equipment, and

furnishing such funds as it was in a position to contribute, in order to realize the prompt establishment of a center in Manila which could serve as a model for similar centers that may be established in the future all over the islands.

Plan of extension of social-service work.—On request from His Excellency the Governor General, the director submitted a program of social welfare for the entire islands. This program embraces public-welfare work hitherto outside the jurisdiction of the bureau, in addition to its present social-welfare activities. It is divided into three parts. Part one defines the field of social service and tells of the existing agencies performing various types of social-service activities and of the new services needed. Part two suggests the types of agencies or organizations a given locality should have in order to cope with the demands of social service in that locality. Part three deals with the plan of financing, with a view to the proper carrying out of the program as submitted.

The problems of social service as outlined in the plan have been grouped into seven main headings, namely, public health; relief and family welfare; child welfare; labor and industries; crime and correction; recreation, physical development, and leisure; and community organization and similar projects. Should facilities be provided for the development of this plan and subsequently expanding the activities of the bureau, undoubtedly more can be accomplished by the Government in the way of ameliorating the lot of the social unfortunates.

Recommendations.—The bureau has proposed the following recommendations: Initial appropriation of P100,000 to start the program of extensive social-welfare work which it prepared in 1933 upon request from His Excellency; construction of fireproof buildings in Welfareville to replace the wooden ones which are, as they are, a danger to the safety of the children and other wards housed in these buildings; establishment of a specialized court to handle, guide, and correct cases of wayward boys and girls.

PHILIPPINE GENERAL HOSPITAL

Personnel.—The personnel of the Philippine General Hospital during the year was, as in 1932, composed of the director, the assistant to the director, chiefs of departments and divisions, resident and nonresident physicians, externes, internes (fifth-year students, college of medicine, University of the Philippines), nurses and student nurses, and miscellaneous employees, including laborers. With the exception of the chief of the department of physical therapy and three physicians in the department of laboratories, all members of the medical staff were, while assigned to the General Hospital on part- or full-time basis, employed and paid by the University of the Philippines.

Service rendered.—During the year, the number of patients admitted in the hospital was 15,426 against only 15,082 in 1932; the dispensary patients were 188,388 against only 179,466 in 1932; the number treated in the consultation office was 3,326 against 3,281 in 1932; those treated as emergency cases were 9,569 against only 7,422 in 1932. The out-obstetrical visits by nurses were also more in 1933, they being 4,908 against only 4,841 in 1932. Moreover, while the cases attended by the social-service division numbered 3,120 and those given dressings 168,835 in 1932, there were, respectively, as many as 4,817 and 175,986 during the year. There were, on the other hand, only four major lines of hospital service in which the number of people helped, or the bulk of work done, was less in 1933 than in 1932, these lines being physical therapy, operations, filling prescriptions, and ambulance service.

All in all, it can be assumed that the amount of accomplishment during the year in the various kinds of service provided by the Philippine General Hospital could favorably compare with the accomplishment shown by the institution in the same during 1932. Taking into account that the total operating expenses of the Philippine General Hospital amounted to only P606,800.22 in 1933 as compared with P756,902.46 in 1932, or a decrease of about 20 percent for 1933, improved service could not have been possible of realization had the Philippine General Hospital authorities not strictly adhered to the policy of making the most advantageous use possible of its limited funds in the performance of hospital work.

Average daily service.—The following statement of certain important activities of the Philippine General Hospital for the years 1932 and 1933, is enlightening:

	Average daily number, 1932	Average daily number, 1933	(+) Increase, (-) decrease, (=) no differ- ence
Patients cared for in the hospital.....	479	469	-10
Dispensary patients.....	594	628	+34
Treated in consultation office.....	9	9	(=)
Emergency cases.....	20	26	+6
Out-patients treated in physical-therapy department.....	53	36	-17
Out-obstetrical cases.....	13	13	(=)
Social-service cases.....	8	13	+5
Surgical operations.....	26	22	-4
Dressings.....	462	482	+20
Pharmacy prescriptions filled.....	317	306	-11
Ambulance calls.....	20	16	-4

As will be noted in the foregoing statement, in 4 kinds of hospital activities the average daily service in 1933 surpassed that in 1932, while in 2 others the figures show that the service had not diminished in spite of lack of funds. In 1933 the average daily service was less in 5 of the 11 lines of activities herein enumerated.

Repairs and alterations of buildings and fixtures, and repairs and purchase of equipment.—From information given by the Bureau of Public Works, the amount of ₱22,251.18 was spent during the year for the repairs and alterations of buildings and fixtures of the Philippine General Hospital. Besides, the Philippine General Hospital itself defrayed an additional amount of ₱3,727.80 for the repair of its equipment. Furthermore, the amount of ₱9,225 was spent for the purchase of furniture and equipment.

Major rearrangement, improvement, or reorganization of several departments of the Philippine General Hospital took place within the year with the result that now the important clinical departments of the institution, such as the departments of pediatrics, surgery, medicine, gynecology, and obstetrics, and the eye, ear, nose, and throat department, are already with such accommodations that a worker can have proper concentration and isolation in a surrounding away from the influence of his routine work. As it is, the entire department of laboratories is now so organized and housed that the laboratory work performed in the Philippine General Hospital could be capable of yielding better result than would have been the case under the former arrangement. In addition, the dental clinic was enlarged four times its former size. Besides, a refraction clinic was opened at the instance of the acting commissioner of health and welfare.

Scientific researches.—With a view to disseminating the knowledge of medical science evolved as a result of laboratory studies and other scientific researches and to advance such knowledge among practitioners of medicine for the benefit of the public, the General Hospital during the year had stressed upon the preparation by its medical staff of scientific papers based on laboratory researches in medicine and related subjects. Altogether, there were prepared 69 papers covering such branches of medical science and practice as surgery; pediatrics; eye, ear, nose, and throat; general laboratory; obstetrics; medicine proper; and gynecology. These papers were, in majority of cases, read at the meetings of the Philippine Islands Medical Association, the Philippine Public Health Association, or the Manila Medical Society. In certain cases the papers were read before the joint conference of the Philippine Islands Medical Association and the Philippine Public Health Association. Those that were not so read had, in every case, been published, or are awaiting publication, in the Journal of the Philippine Islands Medical Association or in the Philippine Journal of Science with the exception of five papers which are still in preparation.

The students in the school of nursing.—In April 1933, 52 out of 730 applicants for admission to the school were selected, and in the following October out of 430 applicants only 64 were admitted. Inasmuch as female nurses are more in demand than male nurses, a great majority of the applicants selected are girls. The school graduated 36 students in March and 47 in October.

Reduced earnings.—The earnings of the Philippine General Hospital during the year amounted to ₱108,888.14 as against ₱142,237.44 for 1932, or a decrease of ₱33,349.30. This decrease was largely a result of the closing on March 1, 1933,

of one floor for male patients and one for female patients, which together netted the amount of ₱43,625.16 in 1932.

In 1932 there were 896 private-room and 898 pay-ward patients, whereas during the year there were 668 private-room and 981 pay-ward patients. During the year, the average number of days the private-room and pay-ward patients spent in the hospital are 7.76 and 7.26, respectively, while the corresponding averages for 1932 are 8.47 and 7.57 days.

Furthermore, in 1932 there were admitted to the hospital 928 Government pay patients, whereas during the year there were only 794, or a decrease of 134. All in all, the number of pay patients admitted in the hospital in 1933 was 1,649 against 1,884 in 1932, or a decrease of 235.

Recommendations.—The Philippine General Hospital is recommending the following year-by-year appropriation for an 8-year building program for the institution: First year, ₱100,000 for one 2-story pavilion for the departments of obstetrics and gynecology; second year, ₱100,000 for a two-story pavilion for the department of ophthalmology, rhinology, and laryngology, and ₱40,000 for a single-story pavilion for the department of physical therapy; third year, ₱100,000 for an additional two-story pavilion for medical-free patients; fourth year, ₱60,000 for a graduate nurses' home; fifth year ₱150,000 for a steam laundry; sixth year, ₱145,000 for an additional ward for private-room patients; seventh year, ₱40,000 for a gymnasium; and eighth year, ₱40,000 for a service building.

BUREAU OF QUARANTINE SERVICE

Functions.—During the year the Bureau performed its usual important functions, namely, maritime quarantine, consular quarantine, medical inspection of aliens, physical examination of applicants for marine licenses, and maintenance and operation of quarantine stations, offices, and floating equipment.

As heretofore, the Bureau of Quarantine Service was under the charge of an officer of the United States Public Health Service, who is detailed for that duty as ex-officio head of the quarantine service, with the title of Chief Quarantine Officer for the Philippine Islands. During the year Senior Chief Surgeon Howard F. Smith was the Chief Quarantine Officer. In the performance of his duties, he was assisted by five full-time medical officers with assignment to the ports of Manila, Cebu, and Iloilo. In addition, a part-time physician took care of the quarantine functions at the ports of Legaspi, Zamboanga, Jolo, and Davao, and at the naval stations of Cavite and Olongapo.

General situation.—During the year, the work of the Bureau included the same general activities hitherto performed by it. In the execution of the year's program, the paramount purpose was, as usual, effective quarantine restrictions against diseases designated as quarantinable by the quarantine laws and regulations of the United States, namely, cholera, yellow fever, smallpox, plague, leprosy, typhoid fever, anthrax, cerebrospinal meningitis, and psittacosis. In connection with the quarantine medical inspections, persons found suffering from all other communicable diseases were detained on board the vessels for the disposition of the bureau of health authorities.

Early in the year, quarantinable diseases continued to occur in several nearby ports. However, health conditions in these ports having remained far from alarming, no special quarantine restrictions were imposed against them. Precautions were nevertheless exercised against plague which was to some extent present in ports closely associated with the Philippine Islands. In this connection, steps were taken with a view to penalizing violators of regulations regarding the wearing of rat-guards on all mooring lines. Both rat-attractive and flea-attractive cargoes for discharge in Philippine ports were strictly supervised.

Although the Bureau did not have to exercise special vigilance against the entry of cholera from foreign ports, it rigidly imposed the usual quarantine restrictions anyway in regards to this disease, it having occurred during the year in several of the Visayan provinces. The Bureau gave the bureau of health assistance in the inspection of interisland vessels from infected ports and in the enforcement of local health regulations.

As to smallpox, quarantine restrictions were applied against Hongkong between February 17 and April 16, 1933, the disease having occurred there during this period. The Philippines continued to be free from the disease partly because proper safeguards were provided to prevent its introduction from foreign ports.

As a precaution against cerebrospinal meningitis, at the beginning of the year, the Bureau continued the enforcement of the usual regulations limiting the ports at which steerage passengers could embark for the Philippine Islands to

Shanghai, Amoy, and Hongkong, and limiting the embarkation of steerage passengers from the Philippines to United States ports to Manila only. These regulations were rescinded by Executive order of the President, dated March 3, 1933.

Careful precautions were also exercised against psittacosis, a disease transmitted by parrots. The procedure followed was in conformity with regulations promulgated by the Treasury Department of the United States and with a law passed by the legislature of the State of California. Both the law and the regulations govern the shipment of birds of the parrot class.

The fact that no known case of typhoid, anthrax, and yellow fever, three other diseases designated as quarantinable by the quarantine laws and regulations of the United States, gained entrance through the barriers of maritime quarantine in the islands, should give an idea of the extent to which vigilance against these diseases had been successful.

Maritime quarantine.—As might be supposed, incoming quarantine was the primary function of the Bureau. The work was, as heretofore, performed during the year between the hours of sunrise and sunset by quarantine medical officers, upon whom devolved the responsibility of ascertaining whether a vessel arriving from a foreign port, including its passengers, members of the crew, stores, and cargo, would constitute a menace, by establishing connection with the port of entry. The inspection was generally conducted as expeditiously as possible to avoid impediment to commerce.

With the exception of the interisland quarantine which continued from 1932 on account of the presence of cholera in some of the Visayan provinces, it was not necessary to institute interisland quarantine between ports of the Philippines in connection with interisland shipping. This was most fortunate during the year, particularly in view of the fact that the bureau was handicapped by shortage of funds. On August 22, 1933, the cholera situations having improved in the provinces referred to above, the interisland quarantine restrictions imposed against them were removed.

In connection with the outgoing quarantine, the bureau continued its function of issuing bills of health to vessels leaving the islands for United States and foreign ports. In the Philippines, bills of health are, in practice, issued to vessels partly as a means of collecting revenue, and to comply with United States laws and the regulations of the International Sanitary Convention of Paris which are in force in the Philippine Islands. In addition to the bills of health, certain specific restrictions were, as usual, carried out during the year with regard to passengers and crews sailing from, or arriving from, infected ports. During the year, a total of 2,315 bills of health were issued as compared with only 2,013 in 1932.

Medical inspection of aliens.—The immigration laws in force in the Philippine Islands require that certain medical examinations be made of arriving aliens. During the year, these examinations were conducted by medical officers of the United States Public Health Service at all ports of entry. The diseases most frequently encountered in the examination of arriving aliens were trachoma, favus of the scalp, ringworm of the scalp, hookworm, and blindness.

Primary examinations of 26,925 individuals were made during the year and, in addition, intensive secondary examinations of 123 persons. There were 81 aliens certified in accordance with the provisions of the immigration laws. Boards of special inquiry were convened frequently to take up questions of immigration and to determine the approximate age of certain aliens for the immigration officers.

Examinations for marine licenses.—As in past years, all applicants for licenses for officers on vessels of Philippine registry were given physical examinations as prescribed in the Administrative Code. The examinations were especially rigid in the case of those applying for the first license.

Renewal of marine licenses was required of all officers on vessels of Philippine registry. To determine their eligibility for renewal of their licenses, they were given examinations in eyesight, hearing, color sense, and other physical conditions. Defects which would incapacitate an officer for efficient service on a vessel were noted in such examinations. During the year, there were altogether 563 examinations of officers for new licenses and for renewal of licenses.

Buildings and equipment.—During the year, the bureau had, as in 1932, two disinfection and detention stations, one for the northern section of the Archipelago with location at Mariveles, Bataan, and another for the southern section with location in Cawit Island, harbor of Cebu.

The detention station at Mariveles was far from being a first-class detention station on account of its deterioration and the removal of buildings that could no longer be used because of their dilapidated condition. The accommodations

were fit for steerage passengers only and could take care of no more than 500 persons, when formerly the quarters could accommodate as many as 2,000 persons. Notwithstanding the fact that the buildings are made of stone, much upkeep and repair were necessary. The situation was even more difficult in the case of the detention station in Cebu whose buildings are made of wood.

The maintenance and operation of launches, particularly those used for boarding of vessels in connection with the quarantine inspections involved much expense on the part of the bureau, especially as such launches have to be out in all kinds of weather. Most of these launches are old and may soon have to be put out of commission.

Finances.—The total appropriation for the bureau shrank from ₱149,373 in 1932 to ₱110,125 in 1933. The 1933 appropriation was later in the year increased a little, however, by the transfer to the bureau of ₱2,400 from the amount previously allotted to the Philippine General Hospital and the sum of ₱3,775 from the bureau of health. The year closed with an unexpended balance of ₱5,483.52.

During the year, several repair jobs which were necessary could not be authorized due to lack of funds. It was unfortunate that while there were no outstanding obligations remaining unpaid or unprovided for, there were certain normal activities for which no fund was available and, therefore, they had to be omitted.

Recommendations.—The bureau recommends that a new launch for the quarantine service be purchased at least once every 2 years with a view to gradually replacing the old and dilapidated launches now in use; that consideration be given to the question of erecting suitable quarters for cabin passengers at the quarantine stations; and that each quarantine station be equipped with a suitable steam laundry for the laundering of clothing, linen, and bedding of persons suffering from quarantinable diseases.

Very respectfully,

ALEJANDRO ALBERT,
Under Secretary of Public Instruction.

BUREAU OF EDUCATION STATISTICAL TABLES

TABLE 1.—*March annual enrollment in public schools 1900–33*

School year	Elementary	Secondary	Total	School year	Elementary	Secondary	Total
1899-1900-----	6,900	-----	¹ 6,900	1916-17-----	666,540	11,432	677,972
1900-1901-----	150,000	-----	² 150,000	1917-18-----	656,909	14,539	671,448
1901-2-----	201,500	-----	³ 201,500	1918-19-----	665,160	16,899	682,059
1902-3-----	227,600	-----	⁴ 227,600	1919-20-----	774,422	17,204	791,626
1903-4-----	263,974	⁽⁵⁾ -----	⁴ 263,974	1920-21-----	924,410	19,092	943,502
1904-5-----	311,439	⁶ 404	311,843	1921-22-----	1,053,180	24,964	1,078,144
1905-6-----	375,246	⁷ 308	375,554	1922-23-----	1,069,148	33,248	1,102,396
1906-7-----	479,054	⁸ 924	479,978	1923-24-----	1,091,421	41,298	1,132,719
1907-8-----	485,033	1,643	486,676	1924-25-----	1,080,619	49,747	1,130,366
1908-9-----	568,109	2,393	570,502	1925-26-----	1,053,799	58,156	1,108,955
1909-10-----	584,234	3,083	587,317	1926-27-----	1,013,033	59,207	1,072,240
1910-11-----	607,089	3,404	610,493	1927-28-----	1,047,161	64,242	1,111,403
1911-12-----	525,556	4,109	529,665	1928-29-----	1,050,072	71,161	1,121,233
1912-13-----	434,824	5,226	440,050	1929-30-----	1,097,978	77,167	1,175,145
1913-14-----	614,592	6,438	621,030	1930-31-----	1,143,708	80,840	1,224,548
1914-15-----	602,943	7,576	610,519	1931-32-----	1,135,221	78,198	1,213,419
1915-16-----	629,444	9,099	638,543	1932-33-----	1,135,658	68,717	1,204,375

¹ From the report of Mr. George Anderson, superintendent of public instruction, Aug. 5, 1900, to the Acting Adjutant General.

² Report of the Philippine Commission, 1900-1901, p. 145.

³ From the Report of the Philippine Commission, part II, 1902, p. 903.

⁴ From the Annual Report of the General Superintendent of Education, September 1904, p. 12.

⁵ Instruction on true secondary level did not begin until 1904. The data for this year are not accurate. Speaking of the secondary schools, the general superintendent said, "Such schools have been organized in 35 Provinces with attendance varying from 75 to 500." (Annual Report of the General Superintendent of Education. September 1904, p. 34.)

⁶ Fifth Annual Report of the Director of Education, September 1905, p. 30.

⁷ Sixth Annual Report of the Director of Education, p. 10.

⁸ Seventh Annual Report of the Director of Education, July, 1906 to June 30, 1907, p. 13.

TABLE 2.—*Enrollment and percentage of enrollment in secondary curricula from 1906 to 1933 (September monthly enrollment)*

Year	Academic		Agriculture		Commercial		Home Economics	
	Enroll- ment	Percent- age	Enroll- ment	Percent- age	Enroll- ment	Percent- age	Enroll- ment	Percent- age
1906.....	695	74.49						
1907.....	1,108	80.88						
1908.....	1,420	75.53			75	3.99		
1909.....	1,751	71.32			115	4.69		
1910.....	2,409	81.30			183	6.18		
1911.....	2,830	76.71			2391	10.60		
1912.....	3,515	78.44			2362	8.08		
1913.....	4,572	77.90			3392	6.68		
1914.....	5,352	78.13			4399	5.83		
1915.....	6,887	82.47			4411	4.92		
1916 ⁵	9,019	82.23	165	1.50	426	3.88		
1917 ⁶	11,364	83.58	323	2.38	247	1.82		
1918.....	12,194	79.35	535	3.48	264	1.72	328	2.13
1919.....	11,937	77.13	505	3.26	421	2.72	442	2.86
1920.....	13,081	75.37	370	2.13	497	2.87	597	3.44
1921.....	17,659	75.36	904	3.56	464	1.98	866	3.69
1922.....	23,572	74.89	1,215	3.86	309	.99	1,309	4.16
1923.....	29,060	74.38	1,565	4.01	457	1.17	1,715	4.39
1924.....	35,055	73.92	1,833	3.87	597	1.26	2,411	5.08
1923.....	39,946	75.26	2,222	4.19	571	1.08	2,497	4.70
1926.....	42,437	73.96	2,586	4.51	611	1.07	2,890	5.04
1927.....	46,550	74.70	2,499	4.01	569	.92	3,095	4.97
1928.....	49,694	72.40	3,376	4.92	548	.80	3,932	5.73
1929.....	52,389	70.35	4,050	5.44	595	.80	4,848	6.51
1930.....	54,509	69.83	3,857	4.94	573	.74	5,793	7.42
1931.....	51,483	68.45	3,892	5.17	588	.78	6,079	8.09
1932.....	42,445	64.19	4,055	6.13	632	.96	5,370	8.12
1933 ⁸	35,472	63.36	3,721	6.64	412	.73	4,154	7.42

Year	Nautical		Normal ¹		Trade		General		Total enroll- ment
	Enroll- ment	Percent- age	Enroll- ment	Percent- age	Enroll- ment	Percent- age	Enroll- ment	Percent- age	
1906.....			183	19.62	55	5.89			933
1907.....			245	17.88	17	1.24			1,370
1908.....			355	18.88	30	1.60			1,880
1909.....			511	20.81	78	3.18			2,455
1910.....			308	10.39	63	2.13			2,963
1911.....			362	9.81	106	2.88			3,689
1912.....			436	9.73	168	3.75			4,481
1913.....			672	11.45	233	3.97			5,869
1914.....			829	12.10	270	3.94			6,850
1915.....			787	9.42	266	3.19			8,351
1916 ⁵	28	0.26	971	8.85	359	3.27			10,968
1917 ⁶	29	.21	1,344	9.88	290	2.13			13,597
1918.....	60	.39	1,684	10.96	303	1.97			15,368
1919.....	62	.40	1,757	11.35	352	2.27			15,476
1920.....	64	.37	2,232	12.86	514	2.96			17,355
1921.....	61	.26	2,818	12.03	660	2.82			23,432
1922.....	57	.18	4,105	13.04	906	2.88			31,473
1923.....	46	.12	5,184	13.27	1,041	2.66			39,068
1924.....	43	.09	6,302	13.29	1,179	2.49			47,420
1925.....	29	.05	6,418	12.09	1,398	2.63			53,081
1926.....	32	.06	6,845	11.93	1,966	3.43			57,367
1927.....	43	.07	7,015	11.25	2,544	4.08			62,315
1928.....	63	.09	7,080	10.32	3,942	5.74			68,635
1929.....	84	.11	7,266	9.76	5,231	7.03			74,463
1930.....	107	.14	6,799	8.71	6,416	8.22			78,054
1931.....	105	.14	6,046	8.04	7,019	9.33			75,212
1932.....	84	.13	5,313	8.03	7,410	11.21	7812	1.23	66,121
1933 ⁸	66	.12	4,151	7.42	7,108	12.70	9901	1.61	55,985

¹ Includes the Philippine Normal School, although this school now offers work on a collegiate level.² Annual enrollment (page 22 *Twelfth Annual Report of the Director of Education*).³ Annual enrollment (page 27 *Thirteenth Annual Report of the Director of Education*).⁴ Annual enrollment (page 38 *Fifteenth Annual Report of the Director of Education*).⁵ July.⁶ August.⁷ The General Curriculum was offered in the first and second years in the divisions of Batangas and Capiz during the school year 1932-33.⁸ Data for Davao are for July 1933.⁹ The first-, second-, and third-year enrollment in the general curriculum in the divisions of Batangas and Capiz during the school year 1933-34.

TABLE 3.—*Enrollment in schools based upon the extent to which complete or partially complete elementary educational facilities are provided*

Highest grade or year offered	Number of schools ¹	Enrollment	Percentage of total monthly enrollment for September, 1933 ²
Grade I.....	202	15,222	1.39
Grade II.....	1,209	69,235	6.25
Grade III.....	759	54,882	5.03
Grade IV.....	2,944	366,704	33.62
Grade V.....	153	29,548	2.71
Grade VI.....	189	51,447	4.72
Grade VII.....	913	503,809	46.18

¹ Does not agree with the number of schools reported elsewhere in this summary. An elementary school having both primary and intermediate grades has been counted as one school in this table; elsewhere in this summary schools have been counted separately as primary and intermediate.

² Data for Davao, Lanao, Rizal, and Zambales are for September 1932.

TABLE 4.—*Percentage of pupils and students withdrawing from school from 1926 to 1933*

School year	Percentage dropped			
	Primary	Intermediate	Secondary	Total
1926-27.....	13.51	12.32	10.49	13.13
1927-28.....	12.71	12.14	8.93	12.39
1928-29.....	12.01	12.80	8.89	11.96
1929-30.....	11.04	11.93	8.28	11.02
1930-31.....	10.17	11.58	8.28	10.28
1931-32.....	9.99	11.46	9.54	10.20
1932-33.....	10.11	11.44	9.54	10.28

TABLE 5.—*Secondary schools classified by curricula (September)*

Classification ¹	Number				
	1929	1930	1931	1932	1933
Secondary schools offering:					
Complete 4-year curriculum.....	92	99	113	114	111
3 years' work.....	12	15	3	3	3
2 years' work.....	21	8	3	4	3
1 year's work.....	4	4	5	3	2
Secondary schools offering:					
Academic curriculum only.....	42	43	44	45	44
Agricultural curriculum only.....	15	12	13	11	8
Trade curriculum only.....	25	25	23	24	24
Normal curriculum only.....	7	6	6	6	4
Nautical curriculum only.....	1	1	1	1	1
Commercial curriculum only.....	1	1	1	1	(?)
Home-economics curriculum only.....	1	1	1		
Academic and normal curricula.....	7	5	4	3	3
Academic and home-economics curricula.....	8	8	8	8	9
Home-economics and trade curricula.....	2	3	3	3	3
Home-economics and agricultural curricula.....	16	17	14	14	16
Home-economics and normal curricula.....	1	1	1	1	1
Normal, home-economics, and trade curricula.....	1				
Academic, normal, and home-economics curricula.....	3	3	3	3	1
Academic, home-economics, agricultural, and trade curricula.....	3		1	1	
Academic, home-economics, agricultural, and normal curricula.....			1	1	
Normal and agricultural curricula.....				1	1
Agricultural, normal, and home-economics curricula.....				1	1
Academic, home-economics, and trade curricula.....					1
Academic, agricultural, and home-economics curricula.....					2

¹ Philippine Normal School not included.

² A course in the Philippine Normal School.

TABLE 6.—Percentage of enrollment by courses, boys and girls

Courses	1927	1929	1931	1933
General.....	74.70	70.35	68.45	64.19
Normal.....	11.25	9.76	8.03	7.39
Commercial.....	.92	.80	.79	.73
Trade.....	4.08	7.03	9.33	12.79
Agricultural.....	4.01	5.44	5.17	6.65
Nautical.....	.07	.11	.14	.115
Home economics.....	4.97	6.51	8.08	8.60

TABLE 7.—Enrollment in schools offering normal courses (July 1932 and July 1933)

Schools	Monthly enrollment by years							
	First year		Second year		Third year		Fourth year	
	1932	1933	1932	1933	1932	1933	1932	1933
Provincial Normal School:								
Bukidnon (Malaybalay).....	48	44	51	43	47	51	35	30
Cebu (Cebu).....	183	199	128	113	190	146	164	151
Ilocos Norte (Laoag).....	130	-----	126	100	114	107	98	98
Iloilo (Iloilo).....	200	176	167	155	210	150	151	162
Bayambang (Pangasinan).....	-----	-----	104	-----	117	115	174	104
Zamboanga (Zamboanga).....	112	81	85	77	66	68	38	56
Ilocos Sur Normal School (Vigan).....	-----	-----	-----	-----	-----	-----	89	-----
Total.....	673	500	661	488	744	637	749	601
Normal course in—								
Albay High School (Legaspi).....	96	61	85	49	89	62	76	73
Cagayan High School (Tuguegarao).....	50	31	-----	34	41	-----	118	75
Leyte High School (Tacloban).....	88	73	74	57	79	58	97	101
Lanao Agricultural School (Lambatan).....	10	14	-----	6	-----	-----	-----	-----
Mountain High School (Baguio).....	-----	-----	-----	-----	31	38	36	29
Camarines Sur High School (Naga).....	-----	-----	-----	-----	-----	-----	44	-----
Capiz High School (Capiz).....	-----	-----	-----	-----	-----	-----	85	-----
Nueva Vizcaya High School (Bayombong).....	-----	-----	-----	-----	-----	-----	27	-----
Samar High School (Catbalogan).....	-----	-----	-----	-----	-----	-----	30	-----
Total.....	244	179	159	146	240	158	513	278
Grand total.....	917	679	820	634	984	795	1,262	879

TABLE 7.—Enrollment in schools offering normal courses (July 1932 and July 1933)—Continued

Schools	Monthly enrollment by years						
	Fifth year		Sixth year		Total		Increase (+) and decrease (-)
	1932	1933	1932	1933	1932	1933	
Provincial Normal School:							
Bukidnon (Malaybalay).....					181	168	-13
Cebu (Cebu).....					665	609	-56
Ilocos Norte (Laoag).....					468	305	-163
Iloilo (Iloilo).....					728	643	-85
Bayambang (Pangasinan).....					395	219	-176
Zamboanga (Zamboanga).....					301	282	-19
Ilocos Sur Normal School (Vigan).....					89		-89
Total.....					2,827	2,226	-601
Normal course in—							
Albay High School (Legaspi).....					346	245	-101
Cagayan High School (Tuguegarao).....					209	140	-69
Leyte High School (Tacloban).....					338	289	-49
Lanao Agricultural School (Lambatan).....					10	20	+10
Mountain High School (Baguio).....					67	67	
Camarines Sur High School (Naga).....					44		-44
Capiz High School (Capiz).....					85		-85
Nueva Vizcaya High School (Bayombong).....					27		-27
Samar High School (Catbalogan).....					30		-30
Total.....					1,156	761	-395
Philippine Normal School:							
Academic.....	725	473	666	757	1,391	1,230	-161
Home economics and combined.....	185	222	147	123	332	345	+13
Total.....	910	695	813	880	1,723	1,575	-148
Philippine School of Arts and Trades:							
Teachers' course.....	48	44	26	45	74	89	+15
Grand total.....	958	739	839	925	5,780	4,651	-1,129

TABLE 8.—Growth in professional training of Filipino teachers from 1928 to 1933 (data as of August for each year)

Teachers and graduates	1928	1929	1930	1931	1932	1933	Percentage of teachers with different types of training	
							1932	1933
Total number of Filipino teachers in the service.....	25,871	27,132	28,133	27,636	26,979	26,379	-----	-----
Number of college-of-education graduates.....	609	922	1,169	1,195	1,297	1,464	4.81	5.55
Number of normal graduates:								
(1) Philippine Normal School graduates on college level.....	1,969	2,141	2,537	2,896	3,339	3,748	12.38	14.21
(2) Philippine Normal School graduates of 1918-19 and previous years.....	465	461	376	372	365	380	1.36	1.44
(3) Provincial normal graduates.....	2,378	3,257	4,007	4,458	4,852	5,090	17.98	19.30
Total number of college or normal graduates.....	5,421	6,781	7,989	8,917	9,853	10,682	-----	-----
Percentage who are college or normal graduates.....	20.95	24.99	28.40	32.27	36.52	40.49	-----	-----

TABLE 9.—*Educational qualifications of Filipino teachers, as of August 1932 and August 1933*

Course completed	Number of teachers completing various courses								
	Elementary			Secondary			Elementary and second- ary principals and super- visors		
	1932	1933	Increase (+), decrease (—)	1932	1933	Increase (+), decrease (—)	1932	1933	Increase (+), decrease (—)
Grade VII or less.....	1, 490	1, 309	—181	13	9	—4	54	37	—17
1 to 3 years of second- ary course.....	4, 388	3, 995	—393	37	26	—11	254	204	—50
Secondary curricula (all types).....	14, 164	13, 690	—474	163	159	—4	624	584	—40
1 to 3 years of college (includes Philip- pine Normal School).....	3, 179	3, 573	+394	184	187	+3	792	793	+1
4 years of college or more.....	417	677	+260	1, 060	966	—94	160	170	+10
Total.....	23, 638	23, 244	—394	1, 457	1, 347	—110	1, 884	1, 788	—96

TABLE 9A.—*Summary of table 9*

Course completed	Total			Percentage		
	1932	1933	Increase (+), decrease (—)	1932	1933	Increase (+), decrease (—)
Grade VII or less.....	1,557	1,355	—202	5.77	5.14	—0.63
1 to 3 years of secondary course (group 2).....	4,679	4,225	—454	17.34	16.02	—1.32
Secondary curricula (group 3) (all types).....	14,951	14,433	—518	55.42	54.71	—0.71
1 to 3 years of college (includes Philippine Normal School).....	4,155	4,553	+398	15.40	17.26	+1.86
4 years college or more.....	1,637	1,813	+176	6.07	6.87	+0.80
Total.....	26,979	26,379	—600	100.00	100.00	-----

TABLE 10.—*Educational and professional training of Filipino secondary teachers in 1932 and in 1933*

Teachers	1932	1933	Increase (+), decrease (—)
Total number of secondary teachers.....	1,457	1,347	—110
Number who are graduates in education.....	840	747	—93
Number who are graduates in liberal arts.....	55	48	—7
Percentage of secondary teachers who are graduates in education or liberal arts.....	61.43	59.02	—2.41

TABLE 11.—*Summary of teaching experience of Filipino classroom teachers, Aug. 1, 1933*

Years	Elementary	Secondary	Total	Percentage
Less than 1 year.....	1,202	48	1,250	5.08
1 year.....	1,356	35	1,391	5.66
2 years.....	1,834	59	1,893	7.70
3 years.....	2,570	108	2,678	10.89
4 years.....	2,488	151	2,639	10.73
5 years.....	2,174	156	2,330	9.48
6 years.....	1,887	143	2,030	8.25
7 years.....	1,462	119	1,581	6.43
8 years.....	1,160	73	1,233	5.01
9 years.....	1,032	72	1,104	4.49
10 years.....	870	67	937	3.81
11 to 14 years.....	2,777	174	2,951	12.00
Over 14 years.....	2,432	142	2,574	10.47
Total.....	23,244	1,347	24,591	100.00
Median in years.....	6.00	6.81	6.06	-----

TABLE 12.—*Replacement in the Filipino teaching corps during 1932 and 1933*

Classification	In service		Separated		Percentage of replacement	
	1932	1933	1932	1933	1932	1933
Insular.....	1,799	1,722	86	147	4.78	8.54
Provincial.....	1,116	998	284	196	25.45	19.64
Municipal.....	24,064	23,659	2,820	2,236	11.72	9.45
Total.....	26,979	26,379	3,190	2,579	11.82	9.78

TABLE 13.—*Total government expenditures from 1928 to 1932*

Year	Total expenditures	Percent of increase (+) or decrease (—)	Expenditures, per capita ¹	Expenditures per pupil ²
1928.....	P28,994,965.98	-----	P2.43	P26.09
1929.....	30,588,352.11	+5.49	2.53	26.30
1930.....	31,079,255.54	+1.61	2.54	25.61
1931.....	30,264,368.55	-2.62	2.44	25.11
1932.....	27,911,060.10	-7.78	2.22	23.26

¹ Expenditures per capita are computed on the basis of the total population estimates as supplied by the Philippine Health Service.

² Expenditures per pupil are computed on the basis of the annual enrollment for September.

TABLE 14.—*Total governmental expenditures for all purposes*

Government	Expenditures	Expenditures for school	Percentages which school expenditures were of total expenditures
Insular.....	P79,696,887.23	P18,034,078.41	22.63
Provincial.....	37,289,176.10	4,568,628.74	12.25
Municipal.....	19,965,061.56	5,308,352.95	26.59
Total.....	136,951,124.89	27,911,060.10	20.38

TABLE 15.—*Insular, provincial, and municipal expenditures*

Expenditures	Insular	Provincial	Municipal	Total
Aid to provinces and municipalities.....	P12,784,806.45	-----	-----	P12,784,806.45
Salaries.....	3,916,292.38	P2,881,025.13	P2,543,800.60	9,341,118.11
Outlays.....	18,198.33	471,278.18	1,406,525.32	1,896,001.83
Other expenses.....	1,314,781.25	1,216,325.43	1,358,027.03	3,889,133.71
Total.....	18,034,078.41	4,568,628.74	5,308,352.95	27,911,060.10
Percentage of total expenditures for school purposes.....	64.61	16.37	19.02	100.00

TABLE 16.—*School expenditures from all governmental sources*

Government	Expenditures, 1931	Expenditures, 1932	Percentage of increase (+) or decrease (—)
Insular.....	P20,388,545.71	P18,034,078.41	-11.55
Provincial.....	4,854,632.99	4,568,628.74	-5.89
Municipal.....	5,021,189.85	5,308,352.95	+5.72
Total.....	30,264,368.55	27,911,060.10	-7.78

TABLE 17.—*Expenditures from all governmental sources for public education, public health, public works, and other purposes*

Purposes	Insular		Provincial	
	Expenditures	Percentage	Expenditures	Percentage
Public education.....	P20,905,955.85	26.23	P4,568,628.74	12.25
Public health.....	5,330,641.66	6.69	2,697,539.61	7.23
Public works.....	2,813,181.71	3.53	15,566,146.00	41.75
Other purposes.....	50,647,108.01	63.55	14,456,871.75	38.77
Total.....	79,696,887.23	100.00	37,289,176.10	100.00

Purposes	Municipal		Total	
	Expenditures	Percentage	Expenditures	Percentage
Public education.....	P5,308,352.95	26.59	P30,782,937.54	22.48
Public health.....	541,789.53	2.71	8,569,960.80	6.26
Public works.....	2,942,528.98	14.74	21,321,856.69	15.57
Other purposes.....	11,172,390.10	55.96	76,276,369.86	55.69
Total.....	19,965,061.56	100.00	136,951,124.89	100.00

DIVISION OF PRIVATE SCHOOLS AND COLLEGES, STATISTICAL TABLES

TABLE 1A.—*Schools classified by religious denominations, 1933-34*

Course	Denomination			
	Catholic	Protestant	Nonsec- tarian	Total
Number of schools (counted by courses):				
Primary.....	208	9	30	247
Intermediate.....	144	9	46	199
Secondary.....	125	13	183	321
College cultural.....	27	12	19	58
Technical ¹	33	11	55	99
Total:				
1933-34.....	537	54	333	924
1932-33.....	492	42	291	825
Enrollment:				
Primary.....	30,565	511	2,932	34,008
Intermediate.....	10,857	376	3,071	14,304
Secondary.....	8,784	1,152	19,799	29,735
College cultural.....	1,234	344	1,651	3,229
Technical.....	2,849	335	7,719	10,903
Miscellaneous ²	34	2	364	400
Total:				
1933-34.....	54,323	2,720	35,536	92,579
1932-33.....	53,466	2,257	37,779	93,502

¹ Nursing schools have been included in the technical schools.² Special students.

TABLE 1B.—*Schools classified by religious denominations, 1932-33*

Course	Denomination			
	Catholic	Protestant	Nonsec- tarian	Total
Number of schools (counted by courses):				
Primary.....	199	7	31	237
Intermediate.....	131	8	43	182
Secondary.....	113	12	157	282
College cultural.....	17	8	13	38
Technical ¹	32	7	47	86
Total:				
1932-33.....	492	42	291	825
1931-32.....	469	34	277	780
Enrollment:				
Primary.....	31,052	302	3,323	34,677
Intermediate.....	9,737	278	2,896	12,911
Secondary.....	8,803	1,032	21,040	30,875
College cultural.....	1,085	299	1,702	3,086
Technical.....	2,765	343	8,437	11,545
Miscellaneous ²	24	3	381	408
Total:				
1932-33.....	53,466	2,257	37,779	93,502
1931-32.....	55,454	2,370	42,575	100,399

¹ Nursing schools have been included in the technical schools.² Special students.TABLE 2A.—*Number of schools (counted by courses)*

Kind of course	1932-33	1933-34	Increase	Percent of increase
Primary.....	237	247	10	4
Intermediate.....	182	199	17	9
Secondary.....	282	321	39	13
College cultural.....	38	58	20	52
Technical.....	86	99	13	15
Total.....	825	924	99	12

TABLE 2B.—*Number of schools (counted as incorporated separately)*

In December—	
1929.....	353
1930.....	355
1931.....	363
1932.....	379
1933.....	406

TABLE 3.—*Enrollment*

Kind of schools	1932-33	1933-34	Increase(+) decrease(-)	Percentage
Primary.....	34,677	34,008	-669	-2
Intermediate.....	12,911	14,304	+1,393	+11
Secondary.....	30,875	29,735	-1,140	-4
College cultural.....	3,086	3,229	+143	+4
Technical.....	11,545	10,903	-642	-6
Miscellaneous.....	408	400	-8	-2
Total.....	93,502	92,579	-923	-1

TABLE 3.—*Enrollment*—Continued
ENROLLMENT IN SUMMER SESSIONS (SECONDARY)

	Teachers	Repeaters
1932		
National Teachers College, Manila.....	196	None.
National University, Manila.....	280	
National Institute, Manila.....	71	
University of Manila, Manila.....	107	
St. Paul's Institution, Manila.....	2	
Total for 1932.....	656	
1933		
National Teachers College, Manila.....	124	None.
National University, Manila.....	74	
National Institute, Manila.....	18	
University of Manila, Manila.....	12	
Silliman Institute, Dumaguete, Or. Negros.....	81	
Total for 1933.....	309	
Enrollment in summer collegiate course (1932).....		3,089
Enrollment in summer collegiate course (1933).....		2,454

TABLE 4.—*Number of schools visited*

Once:		Three times:		More than four times:	
1930.....	142	1930.....	48	1930.....	53
1931.....	111	1931.....	64	1931.....	73
1932.....	129	1932.....	50	1932.....	53
1933.....	164	1933.....	62	1933.....	43
Twice:		Four times:			
1930.....	83	1930.....	27		
1931.....	73	1931.....	41		
1932.....	103	1932.....	21		
1933.....	99	1933.....	28		

NOTE.—The following schools were not visited during 1933: Ifugao Academy, Kiangnan, Mountain Province; Sto. Niño School, Dapa, Surigao; St. Thomas School, General Luna, Surigao; Training School for Nurses, Emmanuel Hospital, Capiz, Capiz; Iloilo Mission Hospital Training School for Nurses, Iloilo, Iloilo; Chinese General Hospital School of Nursing, Manila; Escuela de Enfermeras del Hospital de San Juan de Dios, Manila; Mary Johnston Hospital Training School for Nurses, Manila; Philippine Christian Institute, Manila; St. Paul's Hospital Training School for Nurses, Manila.

TABLE 5.—*Library*

	July 1932	July 1933	Increase	Percent of increase
Reference books.....	105,385	114,601	9,216	9
Library books.....	225,951	235,690	9,739	4
Total.....	331,336	350,291	18,955	5
Separate subscriptions to periodicals.....	3,935	12,830	8,895	226

TABLE 6.—Qualifications, status, and length of service of instructors

	July 1932	July 1933	In- crease	De- crease	Percent of increase(+) or decrease (-) of dif- ference
A. Qualifications of instructors:					
1. Number of fully qualified instructors:					
Primary.....	778	840	62	-----	+7
Intermediate.....	659	729	70	-----	+11
Secondary.....	994	1,141	147	-----	+15
Total.....	2,431	2,710	279	-----	+11
2. Number of instructors having certificates of eligibility:					
Primary.....	164	127	-----	37	-22
Intermediate.....	11	12	1	-----	+9
Secondary.....	179	160	-----	19	-11
Total.....	354	299	1	56	-16
3. Number of instructors not coming under 1 and 2, above:					
Primary.....	7	6	-----	1	-14
Intermediate.....	1	2	1	-----	+100
Secondary.....	8	6	-----	2	-25
Total.....	16	14	1	3	-12
B. Status of instructors:					
1. Number of part-time instructors:					
Primary.....	57	56	-----	1	-2
Intermediate.....	119	148	29	-----	+24
Secondary.....	220	277	57	-----	+26
Collegiate.....	127	193	66	-----	+52
Technical.....	359	218	-----	141	-39
Special.....	5	3	-----	2	-40
Total.....	887	895	152	144	+1
2. Number of full-time instructors:					
Primary.....	892	917	25	-----	+3
Intermediate.....	552	595	43	-----	+8
Secondary.....	961	1,030	69	-----	+7
Collegiate.....	146	194	48	-----	+33
Technical.....	194	149	-----	45	-23
Special.....	11	5	-----	6	-54
Total.....	2,756	2,890	185	51	+5
C. Length of service of instructors:					
1. Newly appointed in the school during—					
Primary.....	306	284	-----	22	-7
Intermediate.....	211	208	-----	3	-1
Secondary.....	332	399	67	-----	+20
Collegiate.....	45	37	-----	8	-18
Technical.....	92	54	-----	38	-41
Special.....	2	3	1	-----	+50
Total.....	988	985	68	71	-03
2. Now employed in the school and appointed before—					
Primary.....	643	689	46	-----	+7
Intermediate.....	460	535	75	-----	+16
Secondary.....	849	908	59	-----	+7
Collegiate.....	228	350	122	-----	+34
Technical.....	461	313	-----	138	-30
Special.....	14	5	-----	9	-64
Total.....	2,655	2,800	302	147	+6

TABLE 7.—*Cancellations of recognitions issued during the period from Jan. 1 to Dec. 31, 1933. (Those issued during 1930, 1931, and 1932 are included for comparison)*

	1930	1931	1932	1933
RECOGNITION				
A. Number of cancellations affecting entire schools:				
(a) For failure to meet requirements.....	1	3	1	2
(b) Voluntary.....	8	5	5	3
(c) Through failure to operate.....	1	4	3	
(d) Miscellaneous reasons.....		5		
Total.....	10	20	9	5
B. Number of cancellations affecting separate grades, years, or courses:				
(a) For failure to meet requirements.....	1			1
(b) Voluntary.....	13	6	3	10
(c) Through failure to operate.....		9	2	
(d) Miscellaneous reasons.....	1		1	
Total.....	15	15	6	11
Grand total.....	25	35	15	16
PERMITS				
(a) For failure to meet requirements.....	1	3		1
(b) Voluntary.....	3	1	2	8
(c) Through failure to operate.....	10	7	3	
(d) Miscellaneous reasons.....		1		
Total.....	14	12	5	9

BUREAU OF HEALTH STATISTICAL TABLES

TABLE 1.—*Statistical returns from all Philippines*

Years	Estimated Christian population	Rates per 1,000 population			Infant mortality per 1,000 births
		Marriage	Birth	Death	
1932.....	11,406,655	13.65	39.18	18.57	137.63
Average of 5 years.....	11,106,611	12.99	39.04	20.91	153.78
1933.....	11,556,677	11.32	31.10	20.24	154.96

TABLE 2.—*Statistical returns from the city of Manila*

Years	Estimated population	Rates per 1,000 population			Infant mortality per 1,000 births
		Marriage	Birth	Death	
1932.....	341,034	17.37	57.80	24.24	139.82
Average of 5 years.....	332,778	15.06	52.37	25.49	154.23
1933.....	345,162	17.73	57.37	24.78	155.19

TABLE 3.—Returns of marriages, births, and deaths with their rates and some important causes of death for the last 5 years (1928-32) as compared with the year 1933. City of Manila (residents only)

Years	1928	1929	1930	1931	1932	Average for 5 years	1933
Estimated population.....	324,522	328,650	332,778	336,906	341,034	332,778	345,162
Number of marriages registered ¹	2,342	2,135	2,478	2,615	2,962	2,506	3,061
Total number of births registered.....	15,709	16,098	16,581	19,046	19,711	17,429	19,801
Birth rate per 1,000 population.....	48.41	48.98	49.83	56.53	57.80	52.37	57.37
Death estimated expectancy ²	8,241	8,462	8,683	8,905	9,126	8,683	9,347
Total number of deaths among residents.....	7,483	8,954	9,072	8,629	8,265	8,481	8,554
Death rate per 1,000 population.....	23.06	27.24	27.26	25.61	24.24	25.49	24.78
Infant mortality (transients included).....	2,378	2,762	2,657	2,887	2,756	2,688	3,073
Infant mortality rate per 1,000 births.....	151.38	171.57	160.24	151.58	139.82	154.23	155.19
Typhoid fever (1).....	186	115	63	79	64	101	85
Malaria (5).....	37	41	17	18	18	26	5
Smallpox (6).....							
Diphtheria (10).....	19	22	33	26	33	27	25
Influenza (11).....	64	62	53	91	112	76	98
Asiatic cholera (14).....			11			2	
Dysentery (16).....	132	277	127	115	96	149	91
Tuberculosis of the lungs (31).....	1,575	1,788	2,000	1,931	1,789	1,817	1,738
Tuberculosis of other organs (32-37).....	162	161	179	156	144	160	167
Cancer (43-49).....	118	123	113	128	124	121	149
Beriberi (55).....	368	552	326	196	222	333	206
Respiratory diseases (97-107).....	1,587	2,245	2,540	2,380	2,295	2,209	2,721
Diarrhea and enteritis (113-114).....	394	563	519	435	394	461	288
Puerperal state (143-150).....	49	57	91	78	64	68	75

¹ Corrected. Data taken from civil registrar.

² Experience (1925-31) data for the year 1933 are subject to correction.

NOTE.—Number in parentheses are the corresponding numbers in the International List of Causes of Death, Rev. 1920.

TABLE 4.—Statistical returns in the provinces for the year 1933

Provinces	Estimated population as of July 1		Total marriages reported	Total births reported	Infant mortality	Total deaths reported	Typhoid fever (1)	Malaria (5)	Diphtheria (10)	Influenza (11)
	Christian alone	Christian and non-Christian combined								
City of Manila.....	345,162	345,162	3,101	19,801	3,073	8,554	85	5	25	98
Abra.....	66,476	91,846	370	2,064	191	1,124	2	23	---	111
Agusan.....	61,346	62,910	241	2,494	153	1,670	---	129	1	50
Albay.....	308,617	308,617	917	5,383	760	3,398	5	50	---	91
Antique.....	175,766	175,766	1,319	5,394	614	2,801	---	---	---	162
Bataan.....	68,808	68,808	496	2,702	871	1,688	22	51	---	46
Batanes.....	8,214	8,214	41	137	13	120	---	---	---	---
Batangas.....	415,732	415,739	2,541	13,135	2,139	6,149	33	315	---	11
Bohol.....	440,041	440,041	2,354	13,064	1,762	6,316	31	10	---	338
Bukidnon.....	10,110	43,271	67	1,056	41	177	---	---	---	14
Bulacan.....	271,728	272,690	1,938	8,510	2,179	5,424	39	12	4	20
Cagayan.....	220,999	221,163	1,342	9,174	1,223	4,905	5	302	---	93
Camarines Norte.....	62,599	62,599	384	2,195	255	923	---	40	---	65
Camarines Sur.....	237,510	237,510	1,219	6,705	839	3,629	---	518	---	81
Capiz.....	338,400	339,390	1,869	7,619	1,316	4,911	32	43	3	509
Catanduanes.....	91,341	91,341	272	2,861	211	780	---	---	---	2
Cavite.....	178,015	178,029	1,070	5,399	1,377	3,481	10	62	---	6
Cebu.....	1,039,448	1,039,448	4,398	28,848	3,381	12,025	50	28	3	978
Cotabato.....	12,409	214,195	115	883	87	338	2	12	---	23
Davao.....	83,268	147,352	356	2,601	250	915	2	48	4	33
Iloos Norte.....	254,608	255,884	1,502	6,327	683	3,273	11	320	1	173
Iloos Sur.....	247,176	247,176	1,263	6,000	784	2,903	16	42	1	278
Iloilo.....	579,846	587,784	3,637	17,827	2,447	8,936	102	19	7	299
Isabela.....	145,837	146,412	941	5,814	915	3,457	2	654	---	154
Laguna.....	238,519	238,594	1,614	7,601	1,626	4,750	49	385	2	6
Lanao.....	11,750	136,064	153	677	72	231	5	5	1	33
La Union.....	190,113	190,113	1,056	5,787	659	2,579	8	7	2	75
Leyte.....	789,377	789,377	2,617	21,207	2,393	1,195	70	238	3	727
Marinduque.....	61,618	61,624	467	2,927	376	1,565	5	158	---	---
Masbate.....	89,344	89,344	500	2,374	257	928	7	---	---	---
Mindoro.....	86,863	101,559	496	2,770	472	1,604	8	359	1	109
Misamis Occidental.....	106,229	111,818	1,049	6,531	856	2,613	7	169	---	53
Misamis Oriental.....	146,376	149,649	794	5,006	530	1,786	1	167	2	114
Mountain Province.....	79,237	378,778	129	2,483	306	2,008	---	130	---	93
Negros Occidental.....	470,989	477,556	3,059	17,703	3,178	9,871	86	240	---	623
Negros Oriental.....	342,567	342,567	1,118	6,733	915	2,737	1	60	---	277
Nueva Ecija.....	311,190	312,220	2,295	10,919	2,651	6,323	55	53	6	238
Nueva Vizcaya.....	29,628	35,838	482	2,496	509	1,706	4	485	---	60
Palawan.....	61,046	99,602	488	830	90	416	2	51	---	17
Pampanga.....	286,624	288,634	2,408	12,635	2,460	6,007	19	17	5	47

Provinces	Asiatic cholera (14)	Dysentery (16)	Tuberculosis of lungs (31)	Tuberculosis of all other organs (32-37)	Cancer (43-49)	Beri beri (55)	Respiratory diseases (97-107)	Diarrhea and enteritis (113-114)	Puerperal state (143-150)	Remarks, up to—	Death, estimated ex-pectancy 1
Pangasinan.....	686, 853	686, 919	686, 919	686, 919	3, 955	13, 132	4, 028	11, 633	145	638	3
Rizal.....	304, 192	304, 192	304, 192	304, 192	2, 257	9, 323	2, 077	5, 995	41	22	-----
Romblon.....	75, 384	75, 384	75, 384	75, 384	346	2, 117	265	5, 998	5	42	-----
Samar.....	483, 998	483, 998	483, 998	483, 998	1, 444	9, 530	530	5, 284	20	202	-----
Sorsogon.....	231, 542	231, 542	231, 542	231, 542	664	5, 960	554	2, 969	13	66	-----
Sulawesi.....	150, 438	150, 438	150, 438	150, 438	901	3, 770	420	91	4	2	-----
Surigao.....	201, 701	201, 701	201, 701	201, 701	1, 818	9, 197	1, 980	4, 860	54	37	88
Tarlac.....	263, 481	263, 481	263, 481	263, 481	2, 046	10, 807	1, 857	5, 424	33	130	221
Tayabas.....	96, 301	96, 301	96, 301	96, 301	556	3, 236	335	1, 575	6	607	24
Zambales.....	90, 253	90, 253	90, 253	90, 253	663	4, 098	335	1, 086	7	49	106
City of Baguio.....	(3)	(3)	(3)	(3)	177	451	46	198	1	1	23
Culion leper colony.....	(5)	(5)	(5)	(5)	125	106	42	440	8	-----	1
Total.....	11, 556, 677	12, 759, 811	12, 759, 811	12, 759, 811	62, 304	339, 660	52, 630	166, 659	1, 038	7, 085	60
City of Manila.....	91	91	1, 738	167	149	206	2, 721	288	75	December.....	9, 347
Abra.....	9	9	195	37	41	640	1, 428	297	97	do.....	7, 774
Agusan.....	23	334	890	10	22	51	1, 168	168	75	September.....	7, 625
Albay.....	6	5	29	10	47	8	95	185	10	do.....	6, 338
Antique.....	91	1	824	38	4	1, 016	865	148	38	do.....	5, 694
Baguio.....	11	1	924	38	9	294	1, 201	198	77	do.....	1, 061
Barangas.....	19	78	910	18	4	225	729	33	19	October.....	4, 911
Batangas.....	334	10	565	18	9	379	787	148	74	July.....	3, 034
Bolnag.....	58	120	679	22	29	429	204	187	69	October.....	1, 850
Bulacan.....	1	31	308	11	3	25	204	187	13	do.....	1, 157
Camarines Norte.....	31	199	1, 114	32	54	537	2, 376	818	204	September.....	7, 774
Camarines Sur.....	35	25	824	92	3	39	118	10	15	do.....	7, 625
Capiz.....	10	35	74	22	4	94	118	34	17	do.....	6, 338
Cebu.....	103	199	1, 114	32	54	537	2, 376	818	204	do.....	5, 694
Cebu.....	103	199	1, 114	32	54	537	2, 376	818	204	do.....	1, 061
Davao.....	35	35	74	22	4	94	118	10	15	do.....	4, 911
Iloos Norte.....	41	41	361	13	8	163	663	79	51	do.....	3, 658
Iloos Sur.....	19	481	24	24	8	202	603	45	33	do.....	3, 009
Iloilo.....	107	1, 562	89	89	55	430	1, 732	168	124	October.....	11, 083
Isabela.....	35	322	16	16	4	309	534	207	34	do.....	3, 658
Laguna.....	97	527	42	42	24	539	1, 219	83	50	do.....	5, 526
Lanao.....	8	21	21	1	1	7	38	21	6	do.....	4, 438

Footnotes at end of table.

TABLE 4.—Statistical returns in the provinces for the year 1933—Continued

Provinces	Asiatic cholera (14)	Dysentery (16)	Tuberculosis of the lungs (31)	Tuberculosis of all other organs (32-37)	Cancer (43-49)	Beri beri (55)	Respiratory diseases (97-107)	Diarrhea and enteritis (113-114)	Puerperal state (143-150)	Remarks, up to—	Death, estimated expectancy ¹
La Union.....	---	93	275	12	14	108	794	70	30	October.....	3,235
Leyte.....	---	357	1,625	118	42	872	2,214	296	181	do.....	13,584
Marinduque.....	---	139	254	9	12	98	227	64	25	November.....	1,469
Masbate.....	---	49	90	16	3	3	163	42	17	October.....	1,091
Mindoro.....	---	37	151	12	8	238	202	37	23	September.....	2,443
Misamis Occidental.....	---	90	325	10	10	100	798	134	33	November.....	3,554
Misamis Oriental.....	---	8	168	11	7	108	384	114	58	September.....	3,479
Mountain Province.....	---	60	102	13	3	12	563	86	18	do.....	1,931
Negros Occidental.....	16	306	1,100	59	32	1,156	2,304	385	130	October.....	12,339
Negros Oriental.....	---	140	327	11	11	19	715	120	43	July.....	5,617
Nueva Ecija.....	---	103	693	33	47	1,404	1,399	223	90	October.....	7,080
Nueva Vizcaya.....	---	91	105	3	1	120	318	26	33	November.....	1,578
Palawan.....	---	6	68	2	5	26	53	21	4	September.....	619
Pampanga.....	---	50	748	48	40	675	1,557	183	75	November.....	6,205
Pangasinan.....	1	210	1,698	85	60	1,562	2,048	337	147	October.....	14,684
Rizal.....	---	13	915	103	51	675	1,196	321	38	September.....	7,109
Romblon.....	---	31	138	6	1	1	124	43	16	do.....	1,569
Samar.....	---	366	427	9	18	565	1,201	157	101	do.....	7,511
Sorsogon.....	886	23	371	20	25	226	546	80	76	October.....	3,781
Sulu.....	---	---	---	---	---	6	14	3	1	do.....	108
Surigao.....	---	138	151	21	8	3	247	115	50	do.....	2,317
Tarlac.....	---	147	622	16	15	774	1,092	222	56	November.....	4,859
Tayabas.....	---	144	794	61	31	450	860	201	64	September.....	6,853
Zambales.....	---	13	30	9	5	181	328	86	18	October.....	1,910
Zamboanga.....	---	24	137	6	7	88	210	64	27	do.....	1,768
City of Baguio.....	---	10	15	---	1	11	58	3	4	November.....	1,190
Canton leper colony.....	---	4	166	12	2	32	49	28	1	do.....	373
Total.....	1,097	4,081	22,376	1,266	884	15,350	36,526	6,564	2,562	---	233,874

¹ Experiences (1925-32) for provinces and for the total (1925-31) for the City of Manila.² Population included in Mountain Province.³ Population included in Palawan.

NOTE.—According to the Bureau of Health the figures on this table are, for the most part, based on incomplete report from the field and they are subject to change. The figures on this table, therefore, need not agree with the figures in the other tables where the diseases mentioned here are also reported.

TABLE 5.—Returns of marriages, births, deaths, and some important causes of deaths, from 1298 to 1932, and average for these 5 years; deaths estimated expectancy and rate for 1933, Philippine Islands

	1928	1929	1930	1931	1932	Average for 5 years	1933
Estimated population (Christian alone).....	10,806,567	10,956,589	11,106,611	11,256,633	11,406,655	11,106,611	11,556,677
Number of marriages reported.....	73,674	68,941	70,084	70,182	77,797	72,136	-----
Total number of births reported.....	422,716	428,966	429,245	440,159	446,940	433,605	-----
Birth rate per 1,000 population.....	39.12	39.15	38.65	39.10	39.18	39.04	-----
Infant mortality.....	63,441	69,334	70,826	68,290	61,511	66,680	-----
Infant mortality rate per 1,000 births.....	150.08	161.63	165.00	155.15	137.63	153.78	-----
Deaths estimated expectancy ¹	(229,347)	(230,252)	(231,158)	(232,063)	(232,968)	(231,158)	(233,874)
Total number of deaths from all causes.....	218,096	237,733	252,988	240,825	211,809	232,290	-----
Death rate per 1,000 population.....	20.18	21.70	22.78	21.39	18.57	20.91	20.24
Typhoid fever (1).....	1,575	1,355	1,091	1,258	1,164	1,289	-----
Malaria (5).....	15,925	15,333	15,145	11,857	9,643	13,581	-----
Smallpox (6).....	-----	59	49	1	-----	22	-----
Diphtheria (10).....	101	115	123	123	125	117	-----
Influenza (11).....	7,834	7,950	9,066	12,013	8,697	9,112	-----
Asiatic cholera (14).....	8	-----	3,079	784	447	864	-----
Dysentery (16).....	4,532	5,186	7,180	7,269	5,441	5,922	-----
Tuberculosis of the lungs (31).....	29,188	30,603	31,945	31,987	29,925	30,730	-----
Tuberculosis of all other forms (32-37).....	1,894	2,059	1,986	1,862	1,756	1,911	-----
Cancer (43-49).....	1,196	1,232	1,205	1,105	1,258	1,199	-----
Beriberi (55).....	16,783	20,225	21,574	19,538	17,173	19,059	-----
Respiratory diseases (97-107).....	39,277	45,088	51,099	48,481	42,652	45,319	-----
Diarrhea and enteritis (113-114).....	10,625	12,403	11,192	11,704	8,304	10,846	-----
Puerperal state (143-150).....	3,011	3,130	3,331	3,167	3,146	3,157	-----

¹ Experience (1926-32).² Expected death rate.

NOTE.—Numbers in parenthesis after each cause of death are the corresponding numbers in the International List of Causes of Death, revised 1920.

TABLE 6.—Number of medical personnel by rank and by years

Rank and assignment	1932	1933
Director of health.....	1	1
Chiefs of divisions.....	5	5
District inspectors.....	4	4
Senior medical inspectors.....	22	22
Medical inspectors.....	27	25
Senior surgeons.....	41	41
Surgeons.....	28	29
Assistant surgeons.....	7	5
Chiefs of hospitals or resident physicians (not included above).....	31	40
Presidents of sanitary divisions.....	322	335
Assistant district health officers (not included above).....	6	10
Physicians:		
Modern leprosy treatment and clinical investigation (not included above).....	25	17
Malaria control (not included above).....	5	4
Supernumerary physicians (not included above).....	10	4
Medical officers: Maternal and child hygiene (not included above).....	-----	9
Physicians: TB control (not included above).....	-----	10
Bacteriologist (not included above).....	-----	2
Internes (not included above).....	-----	27
Total.....	534	590

TABLE 7.—*Number of nonmedical personnel in the Bureau*

Classification	1932	1933	Classification	1932	1933
Sanitary inspectors.....	1,420	1,405	Temporary presidents of sanitary divisions who are registered nurses, sanitary inspectors, and cirujano ministrantes.....	31	27
Dispensary attendant-sanitary inspectors.....	95	95	Other employees not included above, majority of whom are laborers, messengers, cooks, servants, ward attendants, helpers, nursing aids, carpenters, gardeners, etc.....	1,510	1,614
Vaccinators.....	159	138			
Nurses.....	422	624			
Clerks.....	296	281			
Sanitary engineers and assistant sanitary engineers.....	4	4			
Pharmacists.....	20	21			
Dentists.....	5	7			
Laboratory technicians.....	30	36			
			Total.....	3,992	4,252

TABLE 8.—*Name and bed capacity*

Name of hospital	At the beginning of 1933		At the end of 1933		Increase (+) or decrease (—)
	Number	Bed capacity	Number	Bed capacity	Bed capacity
Albay Provincial Hospital.....	1	35	1	35	-----
Antique Provincial Hospital.....	1	10	1	10	-----
Antipolo Emergency Hospital ¹	1	6	1	6	-----
Baguio Hospital.....	1	67	1	81	+14
Batangas Provincial Hospital.....	1	30	1	30	-----
Bayombong Hospital.....	1	20	1	20	-----
Bohol Provincial Hospital.....	1	8	1	8	-----
Bontoc Hospital.....	1	35	1	35	-----
Bukidnon Public Hospital.....	1	10	1	14	+4
Bulacan Provincial Hospital.....	1	30	1	30	-----
Butuan Public Hospital.....	1	42	1	42	-----
Capiz Provincial Hospital.....	1	30	1	30	-----
Cervantes Emergency Hospital.....	1	8	1	8	-----
Cotabato Public Hospital.....	1	40	1	40	-----
Cuyo Hospital.....	1	20	1	20	-----
Davao Public Hospital.....	1	60	1	60	-----
Dipolog Emergency Hospital ²	1	12	1	12	-12
Eladia Memorial Hospital.....	1	12	1	12	-----
Ilocos Norte Emergency Hospital.....	1	12	1	12	-----
Ilocos Sur Provincial Hospital.....	1	8	1	8	-----
Iloilo Emergency Hospital ¹	1	24	1	24	-----
Insular Psychopathic Hospital.....	1	800	1	800	-----
Kiangnan Hospital.....	1	15	1	15	-----
Laguna Provincial Hospital.....	1	55	1	55	-----
Lanao Public Hospital.....	1	50	1	50	-----
Leyte Provincial Hospital.....	1	21	1	21	-----
Lubuangan Hospital.....	1	8	1	8	-----
Margosatubig Emergency Hospital.....	1	12	1	12	-----
Mati Emergency Hospital.....	1	6	1	6	-----
Misamis Oriental Provincial Hospital ³	1	20	1	20	-----
Naga Provincial Hospital.....	1	22	1	22	-----
Nueva Ecija Provincial Hospital.....	1	35	1	50	+15
Occidental Negros Provincial Hospital.....	1	62	1	62	-----
Pampanga Provincial Hospital.....	1	50	1	50	-----
Pangasinan Provincial Hospital.....	1	50	1	50	-----
Pikit Emergency Hospital.....	1	8	1	8	-----
Puerto Princesa Hospital.....	1	26	1	26	-----
Rizal Memorial Hospital.....	1	30	1	30	-----
San Lazaro Hospital.....	1	1,016	1	1,016	-----
San Pablo Hospital.....	1	20	1	20	-----
Sorsogon Provincial Hospital.....	1	25	1	25	-----
Southern Islands Hospital ⁴	1	100	1	100	+100
Sulu Public Hospital.....	1	46	1	46	-----
Tarlac Provincial Hospital.....	1	30	1	30	-----
Tayabas Provincial Hospital.....	1	80	1	80	-----
Zamboanga General Hospital.....	1	80	1	80	-----
Culion Leper Colony Hospital.....	1	500	1	500	-----
Total.....	46	3,586	46	3,707	+121

¹ In operation only when necessity arises.² Closed due to lack of funds.³ Operated under Act 3114, as amended, since July 1933.⁴ Supervision was transferred to the bureau of health, effective Jan. 1, 1933.

TABLE 9.—Comparative statement of expenses of the former activities of the bureau of health for 1932 and 1933

	1932	1933	Total	Increase (+) or decrease (-)
Total expenses per preceding statement..	P3,572,944.33	-----	P2,976,214.39	--P596,729.94
Less expenses for:				
Southern Islands Hospital.....	-----	P92,765.60	-----	-----
Division of maternal and child hygiene.....	-----	78,067.38	-----	-----
Aid to Philippine Islands Antituberculosis Society.....	-----	47,500.00	-----	-----
Aid to puericulture centers.....	-----	92,791.00	-----	-----
Tuberculosis control work, Act 3743.....	-----	61,651.80	-----	-----
Operation of maternity and children's hospital.....	-----	44,251.65	-----	-----
Expenses for graduation of midwives and diplomas.....	-----	54.75	417,082.18	-417,082.18
Net expenses for the former activities of the bureau of health.....	3,572,944.33	-----	2,599,132.21	-1,013,812.12

ANNUAL REPORT OF THE SECRETARY OF JUSTICE

DEPARTMENT OF JUSTICE,
Manila, March 15, 1934.

SIR: Pursuant to the provisions of section 91 of the Administrative Code, I have the honor to submit the following report of the activities of the Department of Justice during the year ending December 31, 1933.

REORGANIZATION

Business transacted.—Our statistics show that, despite the reduction of the number of judges of first instance, their accomplishments during the year 1933 were satisfactory. A comparative examination of the cases disposed of during the years 1932 and 1933 reveals that there were 25,160 cases disposed of during the year 1932 as against 23,554 disposed of during the year 1933, or a decrease of 1,606. Considering the fact that 14 judges of first instance were eliminated in 1933, the difference of 1,606 cases should be encouraging. If we base the efficiency of our judges, as a whole, upon the total number of cases disposed of during the year in proportion to the total number of judges of first instance, we would find that in 1933 each judge of first instance disposed of 452 cases as against 439, 426, 416, 427, 349, 377, 414, 419, and 380 disposed of by each judge in 1924, 1925, 1926, 1927, 1928, 1929, 1930, 1931, and 1932, respectively. As a matter of fact, it appears from the quarterly reports prepared by the superintendent of the clerks of court, Mr. Vicente Insua, that at the end of every quarter of 1933 there has been registered a considerable increase in the number of cases disposed of, with the exception of the second quarter, due to the fact that it comprises the 2 months' vacation period of the courts.

Following is a statement showing the number of cases disposed of by the judges of first instance during each quarter of 1933:

Quarter	Ordinary	Cadastral lots	
		Noncontested	Contested
First.....	5, 459	6, 088	648
Second.....	4, 276	3, 719	217
Third.....	7, 140	6, 274	401
Fourth.....	6, 679	18, 524	1, 148

Taking into consideration the fact that a contested cadastral lot is tried in the same manner as an ordinary civil case about property, the decrease of 461 cases in the number of cases disposed of during the last quarter of 1933 as compared with the number of cases disposed of during the third quarter of 1933 is more than offset by the considerable increase (747) in the number of contested cadastral lots disposed of during the fourth quarter of 1933, compared with the number of contested cadastral lots disposed of during the third quarter of 1933.

The preparation of these quarterly reports, which are brought to the attention of the judges of first instance, the closer supervision exercised by the department over their work, and the timely assignment of judges to other provinces where there was an apparent congestion of cases are responsible for the expeditious handling of cases; and more than any other reason, our judges, conscious of their responsibility and the great sacrifice that the situation required of them, have done all within their means, and gave proof, once more, of the good name that the Philippine judiciary enjoys.

Following is a statement showing the number of judges in the service and the number of cases disposed of from 1924 to 1933, and the average number of cases disposed of by each judge every year during the same period of 10 years.

Year	Number of judges	Cases disposed of	Average number of cases disposed of by each judge every year	Year	Number of judges	Cases disposed of	Average number of cases disposed of by each judge every year
1924.....	54	23,785	439	1929.....	66	24,909	377
1925.....	54	23,056	426	1930.....	66	27,361	414
1926.....	55	22,901	416	1931.....	66	27,711	419
1927.....	56	23,929	427	1932.....	66	25,160	380
1928.....	66	23,091	349	1933.....	52	23,554	452

COURTS OF FIRST INSTANCE

During the year covered by this report 21,057 civil and criminal cases were filed, 23,554 were disposed of, and 16,244 cases pending on December 31, 1933.

The following table shows the number of cases filed, disposed of, and pending in the courts of first instance:

Courts of first instance

PHILIPPINE ISLANDS

	Civil	Criminal
Number of cases pending at the end of 1932.....	15,659	3,102
Number of cases filed during the year 1933.....	9,943	11,114
Total.....	25,582	14,216
Number of cases disposed of during the year 1933.....	12,118	11,436
Number of cases pending Dec. 31, 1933.....	13,464	2,780

MANILA

Number of cases pending Jan. 1, 1933.....	2,387	343
Number of cases filed during the year 1933.....	2,254	2,163
Total.....	4,641	2,506
Number of cases disposed of during the year 1933.....	2,535	2,122
Number of cases pending Dec. 31, 1933.....	2,106	384

SUPREME COURT

Personnel.—During the year 1933, on account of the resignation of Associate Justice James A. Ostrand and the death of Associate Justice Ignacio Villamor, some changes in the personnel of the supreme court took place. The separation of the former from the service took effect on June 30 and that of the latter on March 31, 1933. To fill these two vacancies, appointments were made on November 3, 1933, in favor of Judge Leonard S. Goddard and Judge Anacleto Diaz, of the court of first instance of Manila. The latter took his oath of office on November 20, 1933, but the former on January 9, 1934.

Business transacted.—At the close of business December 31, 1932, the supreme court had on its calendar 1,688 cases, of which 1,124 were civil and 564 criminal. During the year there were filed 2,226 cases, of which 1,451 were civil, and 775 criminal. The number of cases disposed of reached a total of 2,390, leaving 292 cases pending decision and 1,232 pending submission at the close of business December 31, 1933.

Of the 405 applicants admitted to the bar examinations, only 395 took the tests; 169 passed and were licensed for the general practice of law and 226 failed to qualify.

During the year 1933 the supreme court appointed 156 notaries public.

BUREAU OF PRISONS

PRISON POPULATION

On December 31, 1933, the prison (insular and provincial) population of the Philippine Islands was distributed as follows:

Bilibid Prison	2, 975
Correctional Institution for Women	160
San Ramon Prison and Penal Farm	761
Members of trustees' families, 152.	
Iwahig Penal Colony	1, 986
Members of colonists' families, 207.	
Davao Penal Colony	607
Fort Mills Stockade, Corregidor	518
Philippine Constabulary stations	74
Insular Psychopathic Hospital	44
Police stations, Manila	53
Insular prisoners working at provincial jails	121
Confined in provincial jails	1, 365
Total	8, 664

The above total represents a decrease of 139 as compared with the total number of insular and provincial prisoners in confinement on December 31, 1932, which was 8,803. There were 7,525 prisoners confined in insular prisons on December 31, 1932, while on December 31, 1933, there were 7,299, or a decrease of 226 prisoners. The number of prisoners confined in provincial prisons on December 31, 1932, was 1,278, while on December 31, 1933, it was 1,365, or an increase of 87.

The following is a comparative statement of the number of prisoners in confinement at the end of each of the past 5 years:

	Dec. 31—				
	1929	1930	1931	1932	1933
Bilibid Prison	3, 801	3, 629	4, 001	3, 199	2, 975
Correctional Institution for Women					160
Iwahig Penal Colony	1, 746	1, 888	1, 814	1, 925	1, 986
San Ramon Prison and Penal Farm	992	918	794	657	761
Davao Penal Colony		65	98	438	607
Fort Mills, Corregidor	662	737	785	1, 084	518
Philippine Constabulary stations	103	96	85	80	74
Police stations, Manila	57	60	60	59	55
Insular Psychopathic Hospital	21	19	27	39	44
Insular prisoners working in provincial jails	9	8	5	37	121
Maternity and Children's Hospital		2			
Confined in provincial jails	1, 323	1, 139	1, 448	1, 278	1, 365
Total	8, 714	8, 561	9, 117	8, 803	8, 664

The crimes for which the greatest number of commitments was made during the year 1933 were theft, homicide, robbery, physical injuries, embezzlement, and murder. The following is a comparative statement of the number of prisoners committed to Bilibid Prison and San Ramon Prison and Penal Farm during the past 5 years for each of the aforementioned:

Crimes	1929		1930		1931		1932		1933	
	Bilibid	San Ramon	Bilibid	San Ramon	Bilibid	San Ramon	Bilibid	San Ramon	Bilibid	San Ramon
Theft	653	57	793	34	730	8	698	33	748	38
Homicide	291	34	328	40	343	16	334	39	352	50
Robbery	307	66	260	43	282	17	270	59	306	27
Physical injuries	269	11	222	9	213	2	243	11	289	38
Embezzlement	184	7	192	1	177	5	226	4	240	4
Murder	112	55	110	8	169	16	102	48	115	22

The number of convictions for crimes against property was greater than the number of convictions for crimes against persons.

During the year 402 prisoners were granted conditional pardon, 9 prisoners absolute pardon, and 3 prisoners paroled. There were nine cases of violation of conditional pardon but no violation of parole.

During the same year 183 prisoners were released by writ of habeas corpus. The petitions for writ of habeas corpus of the majority of these prisoners were prepared by the bureau of prisons. With the help of the bureau the penalties of 116 prisoners were reduced.

Subsistence.—In the administration of the bureau of prisons nothing required more constant care and supervision than the management and operation of the general mess and bakery at Bilibid Prison. No effort was spared to give the men wholesome rations, even with the reduced appropriation for subsistence for the year, which was ₱0.0955 per capita a day, as compared with ₱0.1323 the year previous. It was possible to subsist the inmates satisfactorily because of the large quantity of food supplies from Davao, Iwahig, and San Ramon penal farms, obtained at nominal prices. The increased production of vegetables at the Bilibid stockade and at the Correctional Institution for Women, and the poultry products and hogs produced at the latter place, were also of great help to the general mess. The inmates of the correctional institution subsisted at the rate of ₱0.063 per capita per day.

The food served to the inmates of the Fort Mills stockade was wholesome. The bureau spent ₱0.096 per capita per day to subsist them. The United States Army furnished additional subsistence at the rate of ₱0.04 per capita per day.

In Iwahig the subsistence of the inmates cost the government ₱0.0257 per capita per day. This comparatively small cost was made possible by increasing production of staple crops and reducing the prices of commodities raised in the colony.

In San Ramon the expense of the government for the subsistence of the inmates was ₱0.044. This was made possible by successful production of corn, cassava, legumes, beans, fruits, and vegetables and the reduction of the prices of commodities raised in the colony.

In Davao the expense of the government for the subsistence of inmates was ₱0.095 per capita per day. The vegetables in the garden and the fish, clams, wild hogs, and deer caught made it possible to give the inmates wholesome subsistence.

The following is a comparative statement, showing the average daily cost of subsistence per capita during the last 5 years.

Division	1929	1930	1931	1932	1933
Bilibid	₱0.1741	₱0.1515	₱0.1573	₱0.1323	₱0.0955
Correctional					.063
Iwahig	.14	.1375	.0937	.0675	.027
Davao				.0880	.085
San Ramon	.1420	.1498	.1435	.0680	.051
Corregidor	.17	.1593	.131	.0951	.096

GENERAL LAND REGISTRATION OFFICE

DISPATCH OF MAIL MATTERS AND PACKAGES

During the year 1933, this office issued 21,809 decrees of registration, as compared with 32,863 in 1932. Of the 1933 figure, 2,641 represents the number of decrees issued in ordinary land registration cases and 19,168 the number issued in cadastral cases, as against 2,674 and 30,189 decrees, respectively, issued in 1932. The following table will indicate, by year, the number of decrees issued, together with the number of parcels and the corresponding area covered, from the enactment of the land registration act up to December 31, 1933.

Year	Number of decrees	Number of parcels	Area in hectares
1903	126	140	34.8949
1904	294	312	34,684.9099
1905	561	681	15,776.1083
1906	655	880	49,156.4560
1907	678	825	20,299.4448
1908	898	1,232	23,724.1038
1909	635	899	28,765.4172
1910	625	1,023	82,551.0972
1911	2,274	3,938	43,361.8388
1912	3,580	4,776	64,593.7970
1913	4,402	5,408	85,049.5138
1914	3,962	5,881	75,492.5420
1915	1,242	2,770	55,218.3762
1916	5,825	7,168	82,313.9595
1917	37,811	40,817	180,597.3682
1918	10,197	11,507	53,255.2776
1919	13,446	15,313	65,251.1912
1920	14,287	16,058	73,011.1493
1921	16,475	19,529	67,138.9590
1922	13,996	15,893	59,621.8669
1923	14,238	16,817	82,349.1617
1924	22,465	24,841	74,438.1268
1925	32,372	34,239	105,092.4286
1926	37,916	40,708	73,100.2127
1927	76,743	83,440	173,819.3435
1928	32,460	35,316	103,614.7368
1929	23,143	27,180	78,879.0483
1930	45,975	53,314	118,970.0648
1931	50,066	55,630	103,758.9721
1932	32,863	35,460	59,006.0001
1933	21,809	24,788	53,276.0213
Total	522,019	586,783	2,186,202.3883

The drop in the number of decrees may be attributed to insufficient personnel, aggravated by the reconstruction work being undertaken during the entire year, because of the fire of August 13, 1932.

Respectfully submitted.

QUIRICO ABETO,
Secretary of Justice.

ANNUAL REPORT OF THE DEPARTMENT OF PUBLIC WORKS AND COMMUNICATIONS

DEPARTMENT OF PUBLIC WORKS AND COMMUNICATIONS,
Manila, March 20, 1934.

HIS EXCELLENCY: I have the honor to render the following annual report of activities of the department of public works and communications for the year 1933.

This department was the old department of commerce and communications, its title having been changed to department of public works and communications by the reorganization act (No. 4007) which took effect on January 1, 1933. The secretary of the department at the beginning of the year was Hon. Filemón Pérez, who resigned effective January 2, 1933. Hon. Rafael Alunan, then secretary of finance, was designated acting secretary and he continued to perform the duties of the office until my appointment as secretary of public works and communications and assumption of office on January 26, 1933. I found that the two positions of under secretaries of the department were held by Mr. José V. Bagtas and Mr. Cipriano E. Unson. The latter retired under Act No. 4051, and to succeed him Hon. Gregorio Anonas, then a representative from Zambales, was appointed. Mr. Anonas took the oath of office and began to perform his duties on March 1, 1933.

Under the provisions of the reorganization act, the following bureaus and offices were placed under this department:

1. Bureau of public works.
2. Bureau of posts.
3. Bureau of coast and geodetic survey.
4. Aeronautics division.
5. Marine railway and repair shops.
6. Metropolitan water district.

The marine railway and repair shops, commonly known as the Engineer Island, was a division of the old bureau of commerce and industry, which was then under the department of commerce and communications. Section 32 of the reorganization act placed the marine railway and repair shops under this department as an independent and separate division. This status of the shops remained until September 1, 1933, when their operation was placed under the administration, supervision, and control of the director of public works by virtue of department Order No. 222, dated August 28, 1933. This order also provided for the reorganization of all the shops under the bureau of public works, consolidating them with the marine railway and repair shops. Act No. 4111 confirmed this consolidation, and, furthermore, appropriated a total sum of P250,000.00 for the operation of the consolidated shops on an income-earning or self-supporting basis.

The executive supervision over the affairs of the metropolitan water district was transferred by the reorganization act from the old department of the interior to the department of public works and communications. However, by virtue of the provisions of Act No. 4079, approved on November 29, 1933, this executive supervision of the secretary of public works and communications over the metropolitan water district ceased and the exclusive management of that office was vested entirely in the district board. This act, however, makes the secretary of public works and communications chairman of the board instead of the mayor of the city of Manila.

Before taking up the general discussions of the activities of the bureaus and offices under this department during the year under review, I should like to bring to your attention certain phases of some of those activities which have received my special consideration. These special activities are the following:

1. The increase of postal rates on first-class mail matters.
2. The reorganization of the marine railway and repair shops.

3. The enforcement of the motor-vehicle law.
4. The reorganization of the postal savings bank.
5. The collection of tolls on roads, bridges, and ferries.
6. The reorganization of the metropolitan water district.
7. The retirement and gratuity law.
8. The financial difficulties.

THE INCREASE OF POSTAL RATES ON FIRST-CLASS MAIL MATTERS

Administrative Order No. 1, bureau of posts, dated January 4, 1933, increasing the rate of postage on first-class mail, took effect on February 1, 1933, just a few days after I assumed the position of secretary of public works and communications. Before and after I took charge of the office, numerous protests against the promulgation of such order were received, not only in this department but also in the office of Your Excellency. The protest came, not only from chambers of commerce and business firms, but also from different branches of the insular government and from provincial and municipal governments. The press also expressed disapproval of this increase of postage rates. Only one organization, the National Philatelic Club, favored the increase. It was therefore one of my first acts as secretary of the department to pass upon the question of whether or not the order should be continued. Upon investigation I found that the order was promulgated upon the recommendation of the secretaries of finance and public works and communications, and with the approval of the council of state, who were all convinced that the revenues of the government could be increased thereby and that it would not be detrimental to business. I answered the protestants that, under the circumstances, I would not be justified in revoking the order then. I added, however, that should it appear later that, as a matter of fact, no additional revenues would accrue to the government, and that business would be prejudiced thereby, I would not hesitate to consider the matter again.

Numerous other protests were received during the year against this order. Some of the government offices alleged that they had to incur overdrafts in their items for stamps due to the increase of postage rates. All these protests were answered in the same tenor as the first ones received. My intention was to wait until the end of the year, when I expected to have sufficient information and data on the results and effects of the order which would enable us to arrive at a just and correct decision.

THE REORGANIZATION OF THE MARINE RAILWAY AND REPAIR SHOPS

Moved undoubtedly by reports that the marine railway and repair shops at the Engineer Island had not been a paying proposition, and by alleged mismanagement as disclosed by investigations conducted by the former department of commerce and communications, the Philippine Legislature, in the reorganization law of 1932, Act 4007, authorized its lease to the Manila Railroad Co., with instruction that if no satisfactory agreement could be had with this company, it be leased to the highest bidder under such terms and conditions as might be most advantageous to the government. As the Manila Railroad Co. was not interested in the matter, a call for bids for the lease of the shops was made.

In the meantime, the whole administration of the shops, especially the alleged high cost of construction and other sources of complaints and criticisms, was thoroughly looked into. It was found that the cost of repairs and construction in the island was really high, and this is due to many circumstances, among which are the employment of more permanent personnel than actually needed, thus increasing the overhead expenses; the delay in the dismissal of daily laborers not actually needed; and the slow delivery of materials requisitioned which necessarily delayed the completion of the work. There is no doubt that the greater the volume of work done in the shops the less would be the cost of the work. But in the Engineer Island the amount of work ordered was constantly in the decline on account of the existence of small, independent repair shops in other bureaus and offices. The unfavorable impression created by the commission of past irregularities, frictions between the management and outside officials, and the high cost of the work as explained above, encouraged other bureaus and offices to seek means of giving the work to private shops. The failure of the central government to decide with finality the question of whether the shops would be continually operated or given up, also affected the efficient and business-like operation of the island. Immediate steps were taken to remedy the anomalous situation as thus described. Employees and laborers that could be dispensed with were laid off. No effort was spared to reduce the cost of operation and

hence the cost of work orders. To insure the carrying out of measures adopted, more frequent inspection of the shops was made by this department. The result has been that after the first 5 months of the year and before the bids received could be acted upon, the shops could already show profits, or an excess of income over expenditures.

In response to the advertisement, four bids were received. A technical committee was created to study carefully each and every proposal. The condition stated in the advertisement requiring the lessee to undertake government repair work, particularly on the floating equipment, lighthouse apparatus, buoys, beacons, and other aids to navigation, was given a very thorough scrutiny. A careful perusal of the bids showed that practically every bidder expected to get government patronage in an amount sufficient to give an income to the shops out of which the rent could be paid. In fact, three bidders imposed the condition that all government work should be given to them. This readily suggested doubts as to the wisdom of disposing of the shops without placing the government at the mercy of private management.

The government must of necessity undertake certain activities which will require the use of floating equipment such as vessels, dredges, and launches. It must construct and repair lighthouses, beacons, and buoys, and other aids to navigation. It has many other activities requiring the use of equipment. The government, therefore, cannot avoid the use of shops for the purpose of reconstructing and repairing or otherwise putting in proper shape all its equipment. The committee that studied the proposals rightly placed much stress on this point, and considered it as a prime condition to be taken into account in the choice of the best bid received. If the government will be continually in need of shops where to repair its own equipment, why should we dispose of the shops we already have?

That the government needs these shops was further evidenced by the request of the department of agriculture and commerce that the lighthouse shop be segregated before leasing the Engineer Island, on the ground that it is indispensable to the lighthouse service. The segregation proposed could hardly be made possible, in view of the fact that the lighthouse shop is located within the same building where other shops are housed, and is being operated in conjunction with those other shops, and the further fact that it makes constant use of the foundry shop. All the shops get power, light, water, etc., from the same source.

If the shops were to be disposed of, the work orders of the government would no longer enjoy preferential attention. The government will necessarily be placed at the mercy of private shops in the matter of urgent repairs. This is especially so as regards the repair of lighthouse equipment, for the reason that the Engineer Island is the only shop in the country adequately equipped for such kind of work.

The conclusion arrived at by this office after a careful examination of the terms and conditions offered by each bidder, and after thorough consideration of the different phases of the whole matter, was that the interest of the government could be better served by continuing government operation of the marine railway and repair shops under an entirely new management, operating it in a way most conducive to efficiency and economy. The success so far attained in the operation of the shops and the confidence shown to have been reposed on the new management by other government entities, fully justified our decision to retain and continue operating the shops.

Plans were immediately worked out for the proper management and operation of the shops at Engineer Island. It was proposed to consolidate at the Engineer Island all the repair shops of the government, to centralize all government repair work in them, and to place them under the direction of a technical bureau. The shops should be operated on a self-supporting basis, and for this purpose a revolving or reimbursable fund should be provided. The elimination of all unnecessary government red tape, especially the delay in requisitioning materials, should also be made.

Accordingly, on August 28, 1933, Department Order No. 222 was issued by this office under sections 38 and 40 of the reorganization law, Act 4007, consolidating the machine shop, plumbing shop, electrical shop, and carpentry shop of the bureau of public works with the marine railway and repair shops at the Engineer Island. The new division created by the fusion of the above-mentioned shops was placed under the direct supervision and control of the director of public works. And to carry out the consolidation, a committee of four composed of two representatives of the bureau of public works, a representative of the bureau of audits, and a representative of this department, was created.

In view of the decision of the government to continue the operation of the shops, the Governor General, on August 30, 1933, authorized the rejection of all the bids received, which was done. For the purpose of concentrating all government repair work as much as possible in these shops, the Governor General issued Executive Order No. 447 on September 30, 1933, enjoining all bureaus and offices of the insular government which have reasonably quick and economical access to Manila to have their equipment repaired at the government shops at the Engineer Island in all cases where the bids or estimates of cost of these shops do not exceed 15 percent over those of the private shops.

To accomplish the purpose of placing the shops under a revolving fund and operating them on a self-supporting basis, and thus eliminate the necessity for the Philippine Legislature to appropriate every year the necessary amount for the operation of the Engineer Island, it was decided to recommend to the legislature the passage of a bill creating a reimbursable fund of ₱250,000 for the operation of the government consolidated shops on a self-supporting basis. It might be stated in this connection that for the operation of the Engineer Island alone, without including the shops of the bureau of public works, the Philippine Legislature appropriated the sums of ₱506,050, ₱491,244, ₱477,374, ₱375,654, and ₱215,014 for the years 1929, 1930, 1931, 1932, and 1933, respectively, or a total sum of ₱2,065,336 in 5 years. The bill proposed was passed at the last session of the legislature to take effect January 1, 1934 (Act No. 4111).

Preparations were made in the shops so that everything would be in readiness upon the implantation of the revolving-fund system provided in Act No. 4111. Immediate steps were taken to have the machinery and equipment of the various shops of the bureau of public works, which were located on the north side of the Pasig River, dismantled and transferred to the Engineer Island. A complete rearrangement in the layouts of the different equipment on Engineer Island was started. The old buildings on the island which were found in a dilapidated condition, were either completely or partially demolished or repaired. A much reduced budget was put into effect through the reduction of personnel and wages, a close checking of purchases of materials and supplies, a strict supervision of work, and the elimination of every possible source of irregularities and frauds. It is encouraging to note that as a result of the changes so far made, the shops began to show a substantially increasing profit, so that by December 31, 1933, or before the self-supporting scheme was introduced, a total net profit of ₱19,859.15 was made from its operation.

THE ENFORCEMENT OF THE MOTOR-VEHICLE LAW

The enforcement of the motor-vehicle laws and regulations is a problem, not only of this department but of the whole government as well, for it concerns one of the fundamental purposes of government, which is the protection of the life of its citizens. As a matter of fact, there are three government entities dealing with motor vehicles. The bureau of public works is by law entrusted with the duties of regulating the operation of all motor vehicles, whether for private use or for hire, and of licensing chauffeurs and penalizing them administratively in case they violate the law. The public-service commission looks after the granting of permits for the operation of motor vehicles engaged in the public service, regulating such service not only for the benefit of the traveling public, but also for the benefit of the operators. There is also the Philippine constabulary, which, as the government agency in charge of the preservation of law and order, must see to it that operators of motor vehicles, whether for private use or for hire, obey the existing motor-vehicle laws and regulations. It is manifest therefore that the solution of the motor-vehicle problem must primarily rest on the coordination of the activities of these government agencies, and the cooperation among them in the performance of their respective duties is an essential factor in any scheme of law enforcement.

Press reports and the number of complaints received in this department and even in the office of the Governor General, indicated that the situation bearing on the violation of motor-vehicle laws and regulations was far from being satisfactory. The rapid increase of all kinds of motor vehicles in operation in these islands had brought about this apparently critical condition. Undoubtedly, some of the newspaper comments and complaints had been exaggerated. However, there was no doubt that the conditions were such that it would be necessary to take remedial steps, not only in the interest of public safety but also for the purpose of protecting those operators of motor vehicles who had invested money and were complying strictly with the law.

Accordingly, this department and the other government agencies mentioned above, spared no efforts to find an effective means of remedying the situation. Motor-traffic regulations were amended or improved from time to time with a view to meeting the demands of this more effective enforcement. The old motor-vehicle law (Act No. 3045) having been found defective in many respects, the legislature was asked to revise it. On December 3, 1932, Act No. 3992, which revised the motor-vehicle law, was enacted. This new legislation undoubtedly constituted a decisive step toward the proper and effective control and regulation of operation of motor vehicles. While the major portion of the work on this new law was done by the bureau of public works, other bureaus and offices, such as the bureau of audits, the bureau of justice, the office of the city fiscal, the Philippine constabulary, and the chief of police of the city of Manila, had also contributed valuable suggestions. It is not claimed that the revised motor-vehicle act is a perfect piece of legislation, but at least it cannot be denied that said act is a marked improvement as compared with the old automobile law (Act No. 3045).

There is one bright point in the new law which should be mentioned and it is the simplification of the registration of motor vehicles by providing flat rates for automobiles, and by basing truck rates on the maximum gross capacity as determined from the weight of the chassis alone. The importance of this provision can be seen from the fact that the public cannot now be misled as to the amount that should be paid for registration fees. Another good point in said act is the provision authorizing car owners to pay only storage fees when the cars are not used.

One of the most flagrant violations of the motor-vehicle law is the so-called "colorum" car operations, or use of privately licensed cars for hire. These cars have been found operating both in Manila and in the Provinces, to the detriment of the legitimate operators who had secured the necessary licenses for their operation. They also constitute a menace to public safety as somehow they are generally carelessly driven. Time and again there had been reports of "colorum" cars soliciting and accepting passengers in public places, offering lower rates than those charged for cars for hire. The problem became so serious that it vexed the authorities concerned, who taxed their minds to seek methods by which such notorious business could be suppressed. Their attention in this connection was first turned to the consideration of the law itself.

The former motor-vehicle law (Act No. 3045) contained no express provision defining as illegal and providing penalty for those apprehended in the act of operating "colorum" cars. This defect must be cured, and accordingly in the new motor-vehicle law (Act No. 3992) a provision was inserted expressly prohibiting the use of privately registered cars for hire and providing a fixed penalty for any violation thereof. However, the legislature has failed to state what would constitute *prima facie* evidence of such an offense. The result is that it is practically impossible to secure a conviction in any court for offenses of this nature as it is necessary to prove that the passengers have actually paid the owner or driver of the vehicle used, and experience has already proven that no passengers would testify that they had paid for the transportation furnished them.

It became evident therefore that in order to enforce properly and strictly the portion of the motor-vehicle laws and regulations referring to illicit operation of private motor cars, the government should concentrate its efforts in preventing their operation rather than in the futile prosecution of those who are engaged therein. To this end, and also for the purposes of the general enforcement of the motor-vehicle laws and regulations, all the government agencies engaged in such enforcement should coordinate their activities. Absolute cooperation among these agencies is indispensable especially in view of the fact that neither of the three offices acting separately and independently could muster sufficient personnel to cope with the situation. After several conferences called and presided over by me and attended by the director of public works, a judge of the public service commission, and the chief of the Philippine Constabulary, a "plan of cooperation" was approved and promulgated. The essential points of this plan may be summarized as follows:

1. The Philippine Constabulary shall take charge of the enforcement of the motor vehicle and public service acts and regulations.

2. For this work, the constabulary shall detail such number of officers as may be necessary in the Provinces and also with the bureau of public works in Manila. The constabulary officers thus detailed shall devote their time almost exclusively to the work of enforcing the motor vehicle and public service acts and regulations. They shall be appointed as automobile inspectors or deputies of the director of public works and also as special inspectors of the public service commission.

3. In order to enable the Philippine Constabulary to appoint new officers, the salaries of 10 additional officers shall be paid by the bureau of public works or Provinces concerned.

4. The bureau of public works or Provinces concerned shall furnish 24 small automobiles for use by the constabulary officers assigned to the enforcement of the motor vehicle and public service laws and regulations, and shall defray the expenses of maintenance and operation of those automobiles.

5. The bureau of public works or Provinces concerned shall pay the traveling expenses and per diems of the constabulary officers and enlisted men assigned for duty in enforcing the motor vehicle and public service laws and regulations.

6. Constabulary officers designated as deputies of the director of public works and as special inspectors of the public service commission are authorized and empowered to stop the operation of motor vehicles or suspend the certificate of registration or confiscate licenses and plates of motor vehicles, and to suspend licenses of chauffeurs or drivers found violating the motor vehicle and public service acts and regulations.

This plan of cooperation was signed by the director of public works, public service commissioner Luis P. Torres, and the chief of constabulary, and approved by the secretary of public works and communications, the secretary of justice, and the secretary of the interior and labor. Said plan was put into effect since the beginning of the last quarter of the year under review.

The new plan has proved successful; the campaign against violators of the motor vehicle and public service laws and regulations now being waged has proved quite effective. The constabulary officers are more respected and readily obeyed than the ununiformed and poorly-paid inspectors of the bureau of public works and public service commission.

As a result of the campaign for the apprehension of violators of the motor-vehicle law, the fines paid in 1933 for the violations of the different provisions of the law are greater than in 1932 by ₱3,094.73. The number of licenses suspended in 1933 also increased by 467. However, the number of licenses revoked during the year decreased by 70, and since this penalty is meted out only in serious violations, this reduction shows that there has been less number of such violations.

The following are the tabulated results of the campaign:

	Total number of cases reported		Cases for reckless driving		Cases for speeding	
	1932	1933	Number	Percent	Number	Percent
First quarter.....	2,400	2,425	207	8.5	399	16.4
Second quarter.....	3,230	4,518	201	4.2	749	16.3
Third quarter.....	3,797	5,331	293	5.5	825	15.2
Fourth quarter.....	3,426	5,741	324	5.6	774	13.4
Total.....	12,853	18,015	1,025	5.95	2,747	15.3

	1932	1933
Number of deaths by automobile accidents reported during the year.....	95	117
Number of licenses suspended during the year.....	3,365	3,832
Number of licenses revoked during the year.....	345	275
Amount of fines imposed for violation of automobile law.....	₱50,739.12	₱53,833.85

Provisions of the automobile law (Act 3992) commonly violated:

	Nature of violation	1932	1933
Section 63.....	Obstruction.....	2,945	3,385
Section 53.....	Speeding.....	1,431	2,747
Sections 41 and 42.....	Overloading.....	1,362	2,330
Section 52.....	Reckless driving.....	1,368	1,025
Section 7 (a), (b), and (c).....	"Colorum operation".....	971	730
Section 47 (a), (b), and (c).....	Defective lights.....	381	698
Section 21.....	Driving without license.....	617	396

REORGANIZATION OF THE POSTAL SAVINGS BANK

A few days after my coming to the department of public works and communications or, to be more specific, on February 13, 1933, the director of posts submitted to me a memorandum bearing on the problems confronting the postal savings bank. One of the important paragraphs thereof reads as follows:

"The records of the postal savings bank today will show that accounts involving 10 to 15 percent are in bad shape, some of which have been pending for 2 years or more. The board of directors is partly responsible for this condition of affairs and also the department secretary and the director of posts. But the whole trouble lies in the fact that the postal savings bank has no active manager armed with proper authority to keep the business of the bank up to date at all times and give immediate attention to those transactions the delay of which means loss of earnings and possible loss of capital to the bank."

In the Province of Tayabas alone 84 loans involving more than ₱400,000 had been granted, and every indication pointed to the fact that a majority of these loans could not be paid, and some of them should not have been granted at all by the bank. The situation in the other provinces and in Manila in connection with loans was not very much better. It became apparent to me that something should be done at once to minimize as much as possible the losses which might result from the unsafe loans made by the bank. It was evident also that certain measures of internal reorganization in the bank should be taken to insure that only good and safe loans were granted by the bank thereafter. Accordingly, I recommended the creation of an inspection service whose employees were to be paid by the postal savings bank under section 2027 of the Revised Administrative Code.

After consultation with the insular auditor, the Governor General on May 17, 1933, approved the creation of the inspection service. Mr. Thomas I. Weeks, a member of the postal savings bank board, who has had a great deal of experience in land and building appraisals from having been provincial treasurer and a real-estate man, was appointed to head the service.

On July 6, 1933, I submitted to Your Excellency a memorandum on the affairs of the postal savings bank, informing you of the situation at that time. It also contains the following paragraphs:

"The problem at hand is to endeavor to remedy the situation and take such necessary steps to prevent positively a repetition of the granting of unsound or unsafe loans. The policy of the board is to do everything in its power to save the property for the respective owners whose paying power has been reduced by the depression, keeping in mind the best interests of the bank. Hoping that better times are in the offing, our program is to give each and every man ample opportunity to retain his property. This necessitates a personal conference with each individual debtor to ascertain his paying capacity and adjust his payments accordingly. It will be absolutely impossible to make any set of rules to cover all the cases. Each case must be settled in accordance with the individual merits and the paying capacity of the debtor. They are all different.

"The members of the board of directors of the postal savings bank, individually and collectively, realize the great responsibility that rests upon them in connection with this matter. In order that we may solve each problem as it comes up with efficiency and promptness, it is absolutely necessary that the board be given ample power to employ the necessary personnel and expend the necessary bank's funds. None of the operating expenses of this bank are paid from the insular funds. They are paid from the profits of the bank. Responsibility and authority must be united in order to insure efficient action. Separation of responsibility and authority means only chaos and inefficiency."

For the proper administration and in the interest of the bank it was found necessary to propose some amendments to the law governing the bank. These amendments were approved by the legislature, having been embodied in Act No. 4093, approved on November 29, 1933.

The amendatory act contains the following important provisions: That the personnel of this bank is to be reorganized and the postal savings bank board is empowered to create such positions and incur such expenditures as may be necessary out of the profits of the bank, in addition to those provided in the appropriation law for 1934; that dormant accounts may be disposed of after 10 years, in accordance with the provisions of Act No. 3936; that the interest on loans to provincial and municipal governments should not exceed 6 percent per annum, making also said loans renewable for another period not exceeding 10 years; that the term of a loan in favor of individuals is extended to 10 years and may be renewed for another 10 years; and that the total investment of the bank shall not exceed in the aggregate 50 percent of the total funds of the bank.

ROAD CONSTRUCTION AND MAINTENANCE

In my speech delivered at the provincial governors' convention on February 9, 1933, I said, among other things:

"All I have said about the construction of roads is promised upon the assumption that sufficient funds are provided for the proper maintenance of the existing roads. There is absolutely no use—in fact, it seems to me ridiculous and senseless—to undertake the extension of present highways when we cannot even afford to maintain in proper shape those that have already been constructed. I beseech you and all others, therefore, not to encourage the construction of new roads as long as there are roads that need to be repaired or maintained."

I have adhered strictly to the policy thus announced by me. Of course, at present very little can be done in the line of constructing any new roads, as there are hardly any funds for the purpose; but whenever funds are available, I endeavor to apply them to the repair and maintenance of the actual roads instead of undertaking new construction.

The insular appropriations for roads and bridges for the year 1933 have not as yet been made available, for the reason that the secretary of finance has not as yet certified as to the existence of funds for the purpose. For this reason, at present the only funds which can be used for road and bridge construction are the proceeds from the motor vehicle and gasoline taxes, which are distributed under the provisions of Acts Nos. 3045 and 3248, respectively.

MOTOR VEHICLE FUND

The motor-vehicle-fund Act (No. 3045) provides that funds collected as fees, taxes, and fines are to be distributed among the different Provinces and chartered cities for the maintenance of existing roads. However, by virtue of the provisions of Act No. 3992, these funds also became available for the construction of new roads. In the allotment of the motor-vehicle funds I have consistently adhered to the policy enunciated in my speech before the governors' convention, especially because I have found that many of the Provinces have very little funds at their disposal for the maintenance of their roads. This condition is due to two factors, namely the revenues are per se inadequate, and the increase in the number of kilometers of roads constructed has far exceeded the increase in the income of the Provinces. Only in one instance was this policy not followed. An allotment of ₱43,944 was authorized for the construction of the Taft Avenue Extension in Manila, on account of the importance of this project and in view of the fact that the portion of the same road in Rizal Province had already been completed.

During 1933 three releases of the motor-vehicle fund, amounting to ₱2,500,000 were made.

THE GASOLINE FUNDS

A total of ₱5,900,000 of the funds collected under the provisions of Act No. 3248, commonly known as the "gasoline funds", was distributed among the different Provinces and chartered cities in four releases. Before any release, the actual and estimated public-works funds of each Province are carefully scrutinized. The Provinces are generally given such amount as may be needed to complete their appropriations for maintenance of roads. The excess is given to continue the construction of active road projects, especially interprovincial, intercoastal, and important highways. Roads are considered important on account of the large number of people to be benefited or the extensive fertile areas traversed by them. Strictly municipal roads cannot participate in the gasoline funds under the law. A very negligible portion has been devoted to the construction of bridges as the revolving funds for bridges have so far been sufficient to take care of important bridge projects.

During the year typhoons wrought considerable damages to the roads of various Provinces. This fact has been taken into account in the distribution and consequently Provinces which suffered heavily from the storms were given greater allotments.

TOLL ROADS

The only road on which tolls are being collected at present is the Kennon Road in Benguet. The collection of tolls on this road was authorized under the provisions of Act No. 1959 which was enacted on June 26, 1909.

Due to lack of funds, the Baguio-Bontoc Road could not be improved in spite of the heavy traffic on this road brought about by the gold boom in the Mountain Province. To remedy the situation, the conversion of this road into a toll road under the provisions of section 2131 of the Administrative Code was seriously considered. A general opposition to this scheme developed in the Mountain Province. The Baguio Chamber of Commerce and various mining companies contended that the mining industry was already heavily taxed by the government and that, instead of an additional burden being imposed on the industry, a part of the present mining taxes and fees should be devoted to the maintenance and improvement of the road. The natives of the Mountain Province also strongly objected to the collection of the tolls on the ground that it would be highly prejudicial to their welfare and progress. The threat that unless tolls were collected the road could be improved only gradually and in the meanwhile it would probably be necessary to restrict loads and even close the road to traffic during a large part of the rainy season, did not abate the opposition in the least. In the face of such decided general protest, the idea of collecting tolls was finally given up.

However, convinced of the necessity of putting the road in first-class shape, I allotted the sum of ₱40,000 from the gasoline funds for the improvement of the road and I propose to give additional allotments therefor from the gasoline and motor-vehicle funds. The Provincial board of the Mountain Province has been asked to set aside for the same purpose a portion of the revenues accruing from the registration of mining claims in Baguio.

No road was designated as a toll road in 1933.

INSULAR TOLL BRIDGES

The ₱225,000 balance of the five-million peso revolving fund created under Act No. 3500 was released in February 1933 for the construction of five toll bridges.

The unexpended balance of the irrigation fund was made available by Act No. 3932 for the construction of revenue-producing public works of a permanent character, including bridges. The construction of 15 toll bridges was authorized in April 1933, for which an allotment of ₱1,706,000 from the irrigation fund was made. The construction of seven additional toll bridges has already been approved, and, to finance them, the release of ₱956,000 also, from the irrigation fund, was also made.

These insular toll bridges are distributed all over the islands. Their cost will be reimbursed to the government by the collection of tolls for periods ranging from 4 to 17 years. The law allows a maximum period of 20 years. No problem of any consequence has arisen in the operation of these insular toll bridges.

PROVINCIAL TOLL BRIDGES

The Administrative Code authorizes the Provincial boards to designate bridges and ferries as toll bridges and ferries. These fall under two classes: (1) Those built with Provincial current revenues, and (2) those financed from bond issues.

This authority granted in the Administrative Code has been abused by some Provincial boards in three ways—namely: First, by collecting tolls at even the smallest bridge or ferry; second, by adopting unreasonably high rates of tolls; and third, by continuing to collect tolls although the full cost of construction of the bridge had already been recovered.

Act No. 3965 was passed in December 1932 to correct the abuses. At the time this office started to put the provisions of this act into operation, there were persistent well-founded complaints that the rates of tolls on some bridges were unreasonably excessive; that the cost of several bridges built with proceeds of bond issues had been repaid many times with the tolls collected, and that toll gates had been erected at many small bridges and ferries constructed with Provincial current revenues, even if they cost so little to maintain or operate that the Provincial budgets could easily have provided for such expenses. The attitude of the Provincial boards in this respect could easily be understood when we mention the fact that the revenues from tolls were being spent by the Provinces for the construction of new bridges and the maintenance of the roads. To prevent such abuses and solve all problems relative to toll bridges and ferries, Department Order No. 237 was issued.

In accordance with said order, the collection of tolls on some bridges has already been discontinued, and the schedule of tolls on others, like the famous Bamban Bridge at Tarlac, has been reduced. Data are now being gathered on which the elimination or reduction of tolls on all the toll bridges and ferries in the islands will be based. As Act No. 3965 cannot have a retroactive effect, toll collections

made before its promulgation cannot be considered in computing whether the whole cost of a bridge has already been recovered.

METROPOLITAN WATER DISTRICT

At the time I became secretary of public works and communications, the investigation of the metropolitan water district by the senate committee on public works and communications by virtue of Resolution No. 28, dated October 5, 1932, of the Philippine Senate, was being conducted. Preliminary reports of the results of said investigation were released from time to time. In these reports, the senate committee, among many other things, stated that the then acting manager had been holding his position illegally for many years and that he had absorbed the powers and duties of many of the officials and employees under him, thereby practically placing the district under one-man control. It was also reported that there had been irregularities committed in the administration of the affairs of the district, especially as regards the disbursements and accounting of funds and requisition of materials for the district. Special mention was made of the fact that there was an accumulation of materials not needed or which could not be used by the district for a long time which had cost hundreds of thousands of pesos.

In the memorandum of March 31, 1933, bearing on the situation obtaining in the metropolitan water district, which I prepared as a matter of record, I said among other things:

"In this connection, I desire to make it of record that I am of the belief that the department which had jurisdiction over the metropolitan water district should have undertaken the investigation now being conducted by the senate. (The metropolitan water district was under the department of the interior when the investigation was started.) In saying so, I do not mean to deny the senate the authority to investigate offices like the metropolitan water district, nor do I intend to criticize the manner of the present investigation. But I have always entertained the conviction that it would be only fair and proper, and in the interest of the efficiency of the government, for the department concerned to be given the first opportunity to investigate alleged anomalies in the bureaus and offices under it."

The affairs of the metropolitan water district had been of great concern to me as secretary of the department. I desired to do something immediately, but I was hindered by the fact that the extent of my powers and responsibility was not clearly defined by law. It is true that section 8 of the reorganization law of 1933, Act No. 4007, gives this department executive supervision over the metropolitan water district.

However, the meaning of this provision is not clear when we consider the fact that the law (Acts Nos. 2832 and 3109) expressly and clearly places the management of the affairs of the district in the metropolitan water district board composed of the mayor of the city of Manila, chairman, and the director of public works, city engineer of Manila, city treasurer of Manila, president of the municipal board of Manila, the Provincial governor of Rizal, and another appointed by the Governor General, as members. My idea was that the dual jurisdiction and responsibility should be eliminated, either by constituting the district as a regular bureau to be administered like any other bureaus of the government under the exclusive supervision of the proper secretary of department, or the intervention of the secretary should be eliminated, placing the whole and exclusive management in the water district board. This situation was explained more fully in my memorandum to His Excellency dated July 10, 1933.

As a result of the findings of the senate investigation committee, a bill was prepared and approved by the Philippine Legislature, and sanctioned by the Governor General. The purpose was primarily to remedy the defects in the organization and administration of the district as found by the senate committee. Maybe as a mere coincidence the new law carries my idea as above expressed. It eliminates the supervisory control of the secretary of public works and communications, although he was made the chairman of the water district board instead of the mayor.

Very respectfully,

A. DE LAS ALAS,
Secretary of Public Works and Communications.

ANNUAL REPORT OF THE SECRETARY OF AGRICULTURE AND COMMERCE

DEPARTMENT OF AGRICULTURE AND COMMERCE,
Manila, February 28, 1934.

His Excellency the GOVERNOR GENERAL OF THE PHILIPPINE ISLANDS,
Manila.

SIR: In accordance with the provisions of section 91 of the Administrative Code, I have the honor to submit the following report of the department of agriculture and commerce for the year 1933:

I. DEPARTMENTAL ACTIVITIES

Charged by law with the administration and development of agriculture, commerce, the industries, and the natural resources of the country in general, the department of agriculture and commerce functions through the bureau of plant industry, bureau of animal industry, bureau of forestry, bureau of lands, bureau of commerce, bureau of science, weather bureau, fish and game administration, division of mineral resources, fiber inspection service, division of home economics, division of navigation, division of accounts and property, division of statistics, scientific library division, division of publications, veterinary examining board, board of examiners for surveyors, and the office of the secretary. The independent divisions under the department are the result of the reorganization of the department in accordance with the provisions of Act No. 4007. Four of these divisions—accounts and property, statistics, scientific library, and publications—perform general service for the department, while the rest carry out functional activities. The two boards are appointed under the law by the secretary of agriculture and commerce.

The functions of the department, for the purpose of this report, are divided into extension work, research work, control of pests and diseases, and public service in general.

A. EXTENSION WORK

BUREAU OF PLANT INDUSTRY

General statement.—The work of promoting agriculture is entrusted to the bureau of plant industry, which resorts to diverse means to bring home to the farmers the results of investigations and advances in agriculture. To this end it maintains an extension service, conducts farmers' conventions, holds lectures, organizes demonstrations, and directs special campaigns. Consultations with, and investigations by, agronomists are encouraged. The diversification of crops, an important activity in connection with the promotion of agriculture, involves the introduction of Bermuda onion, cotton, aromatic cigarette tobacco, and such crops as economic exigencies demand. Commercial orchard planting is stimulated with a view to fostering economy in the home. The relief work undertaken by the department through the bureau of plant industry, consists in the free distribution of seeds and planting materials to farmers rendered destitute by calamities. Rural improvement work to ameliorate the lot of small farmers is an important undertaking especially in the rice-producing Provinces where the depressed condition of the rice market may breed discontent and even lawlessness. The utilization of the byproducts of the industries, particularly those threatened by discrimination or adverse legislation abroad, is attended to with zeal in the hope that local utilization will offset such untoward circumstances.

Agricultural situation.—The agricultural situation has undergone little change from that of last year, with the exception of the upward trend of the sales of staple crops induced by a general recovery throughout the world and an improvement in financial conditions. Changes for the better are noted in the adoption of diversification crops.

Information given out.—A total of 174,363 farmers were given information through letters and direct consultations at the central office of the bureau of plant industry at Manila and at the offices of the district and provincial agronomists; by visiting farms, orchards and gardens; and by giving lectures to schools and at farmers' conferences. A total of 10,802 investigations were made for farmers to determine what crops could be profitably grown in their respective localities in lieu of the old staples which now command very low prices.

Agricultural exhibits.—The second horticultural show was held in connection with the 1933 Manila carnival and had an attendance of 50,617 as compared with the 48,112 of the first horticultural show in 1932, showing increased interest of the public in agriculture.

The agricultural exhibits in the second floating exposition of the bureau of commerce proved to be an effective means of demonstration. It was estimated that around 4,000 people saw our exhibits in the different parts of call. Plant materials, such as grafted, budded, and marcotted mango, lanzon, citrus, chico, avocado, breadfruit, grapes, etc., vegetable seeds, rice flour, and farmers' pickles were all in great demand.

During the year more requests for participation in the provincial and municipal fairs were received than could be attended to. We took part in 16 municipal and provincial fairs, which were held in different Provinces of Luzon, Visayas, and Mindanao. It is estimated that approximately 113,210 individuals attended these fairs. The materials for these exhibits were prepared and presented to show among other things the use of high yielding varieties, the application of good farm practices, and the control of pests and diseases.

Aside from participation in these fairs, the extension vans visited 10 other Provinces, covered 69 municipalities, and gave demonstration to about 25,800 people. These vans have built-in exhibit shelves, enough inside room for carrying boxes of materials and can carry four to six demonstrators. Each van is equipped with a radio and projection material for screening proper methods of farm operations.

Onion drive.—Encouraged by the success of the onion-growing campaign in Batangas, Laguna, Zambales, Bulacan, and Nueva Ecija, this year's onion drive was undertaken on a much larger scale than the previous one. In last year's campaign only 13 Provinces planted the crop, which number has been increased to 33 Provinces this year.

Considering the newness of the crop, and the lack of personnel of the bureau to closely supervise individual cooperators who are widely scattered, the results so far obtained may be considered encouraging. This year's crop covers an area of about 300 hectares, scattered in 33 Provinces, with some 900 kilos of seeds distributed to 527 cooperators. As the planting season is not yet closed, the hectareage may go above the foregoing figure.

Cotton drive.—In the 1932-33 crop, a total of 35 Provinces covering 92 municipalities and 347 cooperators made trial plantings. The area planted was approximately 497.7 hectares under 347 cooperators, who planted 3,837.62 kilos of seeds. The estimated total crop harvested was 3,913.8 kilos, including floss and seeds. Of the 92 municipalities that tried this crop, 64 failed and 28 succeeded. The planting in new areas outside the cotton Provinces was not very successful due to its tardiness, having been made after harvesting the rice crop, and lack of familiarity on the part of the farmers with the requirements of the cotton plant.

The 1933-34 crop, planted toward the last part of the year, covers an area of 357 hectares, and 3,061 kilos of seeds were planted by 382 cooperators in 26 Provinces. Planting has been started early, and a better stand of the cotton plant is now evident in the fields.

Rural improvement work.—Realizing the need for rendering direct help to small farmers, particularly the aparceros in the rice districts, the department of agriculture and commerce through the bureau of plant industry has shown special interest in improving their condition. In 1932, during the administration of Governor General Roosevelt, in an attempt to ameliorate the condition of the rice tenants in the Central Luzon provinces, who because of discontent arising from their pitiful situation resulting from the depressed state of the rice market, were easily being involved in the activities of professional agitators, the department rendered support to a rural improvement campaign by distributing free seeds and planting materials to the needy. After the secondary crop season of that year was over the bureau of plant industry immediately took steps to perfect its plans for general rural improvement work. The bureau, following several years' experience in the field, finally adopted an aparcero plan which was carried out at the ensuing drive beginning September. About that time the Governor General

appointed a rural improvement committee to take up the work of ameliorating the small farmers' lot in those areas that were rich grounds for communistic agitation. The Governor General's committee, to which full cooperation was tendered by the bureau of plant industry, adopted the *aparcero* lot plan that was previously approved and made its own the carrying out of the first trials. These were conducted in two municipalities. One unit was established at San Miguel, Bulacan, and the other in Gapan, Nueva Ecija. The Gapan unit was under the charge of the personnel of the bureau of plant industry, and 138 farmers were helped in improving their home lots. The San Miguel unit had 96 farmers who were handled by assistant agronomists of the American Red Cross. The total number of farmers helped in the two provinces was therefore 234. The bureau of plant industry distributed to all of them free of charge the following planting materials:

1. To the San Miguel unit:		
(a) Total vegetable seeds distributed.....	packets..	850
(b) Total varieties of vegetable seeds distributed.....		18
(c) Hawaiian pineapple suckers distributed.....		500
2. To the Gapan unit:		
(a) Total vegetable seeds distributed.....	packets..	450
(b) Total varieties of vegetable seeds and $\frac{1}{2}$ kilo of Bermuda onions distributed.....		6
(c) Hawaiian pineapple suckers distributed.....		300
(d) Caimito seedlings.....		24

In order to help maintain interest in the improvement of the *aparcero's* lot, a practical guide written in Tagalog by the chief of the agricultural extension division was issued by the committee of the Governor General in the form of a bulletin. Aside from the improvement of home lots, interest has continuously been created in the planting of secondary crops which could bring additional income to the farmers. Any improvement in the standard of living of the farmers must be brought about by increased income from the extra labor devoted to their farms. There has been great demand for information regarding profitable secondary crops which can be grown after the rice crop.

Home and commercial orchard planting.—The interest shown by the people in the development of commercial orchards has increased, and the frequent follow-up service made the field personnel inadequate to give to all the necessary attention. Both the absentee landlord and the stay-on-the-farm farmer lack the practical experience in organizing commercial orchards, and considerable attention was required of our extension agents.

Approximately 374,025 plants have been planted under the supervision of the personnel of this bureau. Besides this number, there have been placed in cooperators' nurseries in the provinces and in Manila over 84,520 seedlings of different fruit trees. Some 78,263 trees were manured, fertilized, cultivated, and mulched under bureau supervision. Other planting materials distributed to farmers during the year were 12,418 kilos of seeds, 379,919 plants, 195,145 cuttings, and 13,817 budsticks.

For the improvement of trees in the orchard 58,268 trees were pruned, 11,500 trees grafted, 9,924 trees budded, 6,809 trees marcotted, and 48,497 trees treated for pests and diseases under our supervision. In brief, the help given to farmers consisted mostly of advice on the kind of fruit trees that are to be grown, the methods of planting and subsequent care, demonstration of budding, grafting, and marcotting work, spraying for the control of pests and diseases, and helping to secure plant materials for their orchards, besides the help in encouraging people to raise vegetables.

The lack of planting materials, particularly grafted and budded plants, is a great handicap to the speedy extension of commercial orchards. In the absence of commercial private nurseries the government is practically the only agency to provide these materials.

In localities where the soil is underlaid by adobe rock, or with subsoil of very hard clay, it has been found that the use of dynamite for opening the holes and loosening the soil for the adequate growth of the root system of fruit trees, has an increasing demand. Because it is impossible for everyone to secure and use dynamite, the service of blasting the soil for demonstration purposes to farmers has been continued. During the year 1,358 holes were blasted. The farmers were required to pay for the dynamite used on their farms but the service was given free.

Cost of production survey.—Under the committee arrangement inaugurated at the beginning of the year, the assistant chief of the agricultural extension division

was placed in charge of the committee to study the cost of production of the principal crops grown in the Philippines. The cost of production survey was started with rice, and before the end of the year sufficient data have been obtained from two rice regions—Bulacan and Nueva Ecija—particularly in those sections with frequent agrarian troubles. At the completion of the work, it is expected that useful information will be gathered which could be utilized in the formulation of government measures for rural improvement which should help in minimizing agrarian upheavals.

Tenancy conditions and cost of producing rice in Bulacan.—The crop production costs committee found out that no tenant keeps records of his farm business. Absentee landlordism exists throughout. The average daily expense of an individual adult of a tenant family is approximately ₱0.04 for 0.223 ganta of rice and ₱0.057 for fresh meat, vegetables, and other foods. The average standard of living of a tenant measured in money is ₱332.66 and the average income is ₱177.97. The average size of land worked by a tenant is 2.13 hectares. The low price of palay brought some misery and poverty to the low-earning tenants. To produce a cavan of palay, it costs ₱1.21 of which ₱0.31 is the actual cash expenditure. In other words, the average production per hectare is ₱54.73 of which ₱16.13 is actual cash expenditure and the balance goes for labor, depreciation on investment for animals, tools, implements, etc. Broadcasting method of planting rice is more economical than transplanting by ₱14.04 per hectare. A tenant devotes an average of 945 hours (135.76 days of 7 working hours) for the care of the carabaos throughout the year, and 163.52 hours (23.36 days) for the maintenance of his field.

Farm relief work.—Due to continuous ravages of locusts, particularly in northern Mindanao, there have been requests for relief work in the locust-ridden provinces. For this purpose, seeds of corn, beans, and vegetables, and planting materials of camote, cassava, and other short-season crops were distributed free to the suffering farmers. Of the seven varieties of seeds, 10,000 packages were distributed among 750 farmers in the six provinces of northern Mindanao.

2. BUREAU OF ANIMAL INDUSTRY

General statement.—The bureau of animal industry works for the increase of the animal population by improving economic farm animals through scientific methods of breeding. Cattle, horses, and poultry are given special attention in this respect. The activities in animal husbandry include the upgrading of milch cows and goats. Interest in animal raising is stimulated. By stimulating interest in animal raising, industries like meat packing, dairy, and others dependent on a constant supply of healthy animals, are enhanced. As a result of the activities exerted in this direction, the Philippines has long been self-sufficient as regards beef supply. No live cattle for beef purposes are now imported, the cattle in ranches in various parts of the country supplying the local market with all the meat that it demands. As a consequence of the attempt to improve the livestock of the country, the islands are now in a position to industrialize animal products. Another promotional activity on which the bureau of animal industry has embarked is the introduction of exotic grasses for forage.

Animal population.—The latest figures available, those for 1932, indicate that due to better control of epizootics during the previous year, there was a logical growth in the animal population of the Philippines. The condition of this population is good, and efforts to improve the herds by scientific method of breeding through upgrading, and the raising of improved purebred economic farm animals have been exerted with gratifying results. The following table shows the animal population and the corresponding value for 1932, as compared with the population and the corresponding value for 1931:

	1932		1931	
	Number	Value	Number	Value
Cattle.....	1,320,980	₱32,643,720	1,282,381	₱32,350,711
Carabaos.....	2,192,004	72,817,883	2,149,652	83,660,665
Horses.....	337,669	7,688,431	319,421	10,337,230
Hogs.....	2,594,620	17,468,585	2,491,245	24,846,865
Sheep.....	120,476	320,360	111,670	297,064
Goats.....	423,287	1,064,818	394,367	1,099,389
Total.....	6,989,936	132,003,797	6,748,736	152,591,924

Animal husbandry.—As a result of the constant campaign waged to acquaint the public with the activities of the bureau along animal husbandry, there was a brisk demand last year for Nellore bulls, milch cows, and goats, improved breeds of swine and poultry. While the bureau was able to fill the demand for Nellore bulls, because of the adequate stock at the Bongabon stock farm, yet it was not possible to fill the orders for dairy animals, especially for goats, for the reason that the bureau could not raise such breeds of animals fast enough to satisfy the ever growing demand for them. As a matter of fact, orders for future deliveries have been accepted in several instances.

To this general interest in animal raising may be partly attributed the second prosperous year of the stock herds and farms which made profits for the year reach a total of P34,895.10, or P14,532.36 more than the gains of 1932. If the profits obtained last year from the operation of the herds and farms are taken as a criterion, it can be said that much progress has been attained in the development of our animal industry.

The merits of improved breeds have been instilled in the minds of the public. The constant demand for Nellore bulls by the buying public for breeding purposes is a convincing testimony of the fact that animal raisers of the country, especially the small ranchers, are now convinced that higher profits can be realized from improved breeds of animals. Indeed, the future of our animal industry largely depends on the upgrading of our animals with selected improved purebred sires. This is especially true with horses and dairy animals of Occidental origin.

Horse breeding.—During the year there has been observed an unprecedented interest throughout the islands in horse breeding. Five of the six Arab stallions imported from Bombay, India, in 1929, have had a very busy season. Requests coming from different Provinces are being received by the bureau to establish breeding stations and to provide, among other things, Arab stallions for stud purposes. There are bright prospects for markets for good horses here and abroad, particularly China where the need for such horses by the army is almost unlimited.

Dairy animals.—As the milk supply for a country presupposes production on a large scale, it follows that dairy animals must be raised in large numbers to meet the local demand. To solve this problem the bureau has under way important experiments at the Alabang stock farm, from which it may be definitely known which breeds of dairy animals will stand local climatic conditions, live on the pasture of the country and yield a fairly good quantity of milk on a profitable basis. The animals used for this purpose are the Ayrshires of the West, the Red Scindi of the East, the Anglo-Nubian and the Toggenburg goats and their grades. Experiment on the upgrading of the Ayrshire was started 13 years ago, and while nothing definite or conclusive can be stated at this time the results so far obtained are most encouraging.

The Red Scindi is of recent introduction, but, judging from the fact that it can easily adapt itself to local conditions, it can perhaps be reared here for milk purposes.

Anglo-Nubian and Toggenburg milch goats are being upgraded to supplant the milch cows. These grade milch goats are now in the third generation and it will take two more generations to make them purebred Anglo-Nubians. Whether or not these animals can live on the common pasture of the country has not as yet been fully determined.

Upgrading of the Nellore cattle.—Private breeders are upgrading Nellores for slaughter purposes on a big scale, and it is expected that they can take care of the local demand for beef in the future. In view of their progress in this undertaking, the bureau is not inclined to continue this line of activity on our farms. Wherever private ranchers and animal raisers have shown the capacity to take up a certain phase of the animal husbandry initiated by the bureau, it would seem advisable to let such private parties alone in the development of their business.

Experiments on exotic grasses show that several varieties thrive well here while others do not. Among those that thrived may be mentioned the Yaragua grass, Rhodes grass, Redtop grass, Dallis grass, and Kikuyo grass.

Livestock show.—The bureau of animal industry for the third time participated in the livestock show of the 1933 Manila carnival. The show was put up by the bureau staff together with representatives of the colleges of veterinary science and agriculture and the bureau of education. The show was as successful and popular as the former ones.

3. BUREAU OF FORESTRY

General statement.—The development of the forest resources, and consequently the promotion of the lumber industry and other allied industries, constitute the main task of the bureau of forestry. It gives advice to lumbermen and furnishes aid to the lumber trade. One of the most noteworthy accomplishments of the bureau in this connection is the popularization of the Philippine lumber in the markets of the world. Along with its administrative work the bureau, through its technical personnel scattered all over the islands, preaches the conservation of the forests and judicious utilization of the same, conducts campaigns against illegal destruction of timberlands by means of the *cañgin* system, and engages in reforestation work, cooperative planting, industrial investigations, and kindred undertakings. Upon this bureau also devolves the task of setting aside national parks, forest reserves and forest zones, and communal forests which are of direct material or aesthetic advantages to the people. The administration of pasture lands is likewise entrusted to this bureau, and in this way it helps, although indirectly, in the development of the country's animal industry.

THE LUMBER INDUSTRY

Lumbering activities.—Lumbering operations were more active this year than in 1932. The total timber cut during the year was 1,085,313 cubic meters as compared with 1,018,909 cubic meters last year, or an increase of 6 percent. This increase was, however, largely due to increased activities of exporting sawmills.

Investment.—Two new modern lumber plants were put up during the year, besides a number of mills of minor capacities. All told, there were 110 sawmills and machine logging operations in force at the close of 1933 as compared with only 106 in 1932. However, despite this increase in the number of mills, the total investment in connection thereof declined to ₱27,000,000 as compared with about ₱33,000,000 of last year. This was due to the fact that a few small mills did not renew their licenses during the year and that two fairly large companies were declared insolvent by the courts.

Foreign markets.—The foreign markets for Philippine lumber and timber registered considerable gain during 1933 as compared with last year. There were shipped abroad during the year 71,145,928 board feet (incomplete) of lumber and timber as against 50,628,144 board feet in 1932, or an increase of 40 percent. The bulk of the shipments went as usual to Japan, the United States, China, Great Britain, and South Africa.

The total value of lumber and timber imports during the year remained practically the same as in 1932. As usual, the principal kinds of products imported were pine and redwood lumber, aspen logs, staves, camphor lumber, box shooks, and plywood. These products are mainly for special purposes, such as cigar shooks, match splints, barrel staves, for which no satisfactory substitutes from local woods have as yet been found.

Some lauans were imported from the British East Indies, but the amount that entered into the islands during the year was greatly reduced on account of increased import tariff imposed here.

Local markets.—The local markets registered only slight gain as compared with last year but movement of stocks continued. Lumber inventories at the end of the year declined 20 percent as compared with 1932.

Supervision of logging operations.—The supervision of logging operations was performed in conjunction with the scaling work. As the scalers had to be in the woods at least 3 days a week for scaling purposes, they could conveniently supervise the logging operations in connection thereof. No fire of any importance occurred during the year in logged-over areas. However, several illegal *cañgins* were detected by forest officers inside concession areas.

Diameter limits were strictly enforced on operators within timberlands and unclassified areas. As the present operators of most of the lumber companies are still in potential agricultural lands which are unclassified, there is a necessity of classifying these lands as soon as possible in order that in those areas that are really suitable for agricultural purposes the enforcement of the diameter limits may be waived so as to utilize as much as possible all the trees growing therein.

Illegal cañgins.—Illegal *cañgins* involving 2,427 cases covering about 2,831.38 hectares of public forest have been detected during the year. The forest products destroyed consisted of 154,032.53 cubic meters of timber; 6,856.60 cubic meters of firewood; 3,000 pieces of boho; and 393 Benguet pine seedlings, with a corresponding regular and additional forest charges of ₱251,679.14 as compared with ₱358,330.27 in 1932.

Land classification.—There were handled 353 projects during the year including the 202 pending last year as against 272 projects in 1932. Out of these, 12 projects have been canceled and 106 have been certified, as against 62 certified in the previous year, leaving 235 projects pending action at the end of the year distributed as follows: 135 for compilation and preparation of maps, 75 under study, 12 suspended, and 13 returned for additional data.

The 106 projects certified have a total area of 449,602.15 hectares, of which 358,144.15 hectares are alienable and disposable and 91,458.36 hectares are timber land comprised in 142 blocks, as against 142,015.57 hectares in 1932, of which 116,624.33 hectares are alienable and disposable and 25,391.19 hectares are timberland included in 77 blocks.

During the year there was a total of 5,038 individual public-lands applications handled as compared with 5,972 in 1932. The following shows the status of those applications as of December 31, 1933:

Final action:

Certified for agriculture.....	657
Certified for forestry.....	309
Returned without certification for various reasons.....	540

Pending final action:

Applications with reports pending action.....	886
Applications pending inspection and report.....	2, 646

Total.....	5, 038
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Forest reserves and special forests.—Three new forest reserves, the Dahican watershed in Camarines Norte, the Ipil forest reserve in Isabela, and the Lal-lo forest reserve in Cagayan, containing an area of 43.54, 1,069.94, and 1,249.60 hectares, respectively, were proclaimed during the year. These bring the total number of forest reserves at the end of 1933 to 34 with an aggregate area of 765,619.23 hectares. There were 72 proposed forest reserves with an approximate area of 390,903.39 hectares.

Twenty-one requests for the reservation of portions of the public forest for municipal, provincial, and insular purposes were received during the year. Of these, eight were examined and acted upon accordingly and the rest pending examination.

Communal forests.—During the year, 34 parcels of communal forests were established, 55 amended and 3 canceled. At the end of the year, 1,639 parcels with an area of 234,506.53 hectares are in force. There were 206 parcels inspected and reported on. The operation of the forestry administrative orders concerning communal forests were suspended. Four parcels were closed to cutting from 2 to 5 years while two parcels were opened to commercial exploitation. A total of 40,153.72 cubic meters of timber were utilized during the year from all established communal forests. Out of the 1,217 municipalities and municipal districts, 707 have communal forests. There are 258 parcels pending establishment.

Communal pastures.—Nine parcels containing an area of 2,111.60 hectares were established during the year, making a total of 30 parcels with an aggregate area of 8,299.30 hectares established in 20 municipalities. Seventeen parcels are still pending establishment.

Reforestation.—The seven reforestation projects established under Act No. 3283 were maintained during the year, but due to the very limited funds allotted the activities were reduced and the improvement work hampered. There were 5,090.26 liters and 30,560 seeds sown in the nurseries, and 1,174.70 liters sown directly in the plantations. Those planted in the nurseries produced 619,354 seedlings, but only 182,923 were set out, while 265,019 remained unplanted.

The results obtained from the quinine project in Bukidnon are encouraging. The government should provide sufficient funds to continue this work.

Cooperative planting.—Cooperative planting was continued during the year. There were planted 7,785 seedlings, 574 cuttings, and 454 liters of seeds in Fort William McKinley; 808 seedlings of various trees and ornamentals, in the town plaza and cemetery ground of Biñang, Laguna; and 3,476 seedlings of trees and 8,543 ornamentals, were sent to Mambucal summer resort, Occidental Negros. Cooperation was also extended to 12 projects, the most important of which are the metropolitan water district, Novaliches, Rizal; Mira-Hill, Vigan, Ilocos Sur; Singson waterworks, of the same Province; Osmeña waterworks, Cebu, Cebu; and the high school of Laoag, Ilocos Norte.

Extension service.—The bureau of forestry participated in the 1933 Philippine carnival and exposition in conjunction with the bureaus under the department of agriculture and commerce. In the provinces eight similar participations by the district personnel were made in local fairs and garden days. Cooperation was also extended to the bureau of plant industry's agricultural extension van and the community assembly under the bureau of education.

Fourteen memorial trees were planted by prominent men during the year. Among those who planted trees may be mentioned department secretaries, directors of bureaus, a famous Spanish writer, and provincial governors.

Plans for low-priced buildings were drawn out during the year to help the small house builders. Four building plans were finished, the cost of which ranges from P500 to P2,500.

Ten addresses were delivered in Manila, eight at the meetings of the Pan-Pacific Science Club, one at the Rotary Club, and one in an arbor day celebration in one of the city schools. There were 146 talks on forestry given in the different districts by field personnel of the bureau of forestry, and 5 papers were read at the agricultural college, Los Baños, Laguna.

4. BUREAU OF COMMERCE

General statement.—The bureau of commerce is the trade promotion office of the government. It gives practical aid to Philippine manufacturers and producers in marketing their goods, an endeavor that gives life and permanence to a campaign to increase the consumption and widen the markets for made-in-the-Philippines products. This campaign is consummated through a series of demonstrations which includes floating and caravan expositions, participations in provincial and municipal fairs, and the management of trading centers and exchanges. As part of its trade-promotion program, the bureau helps in the organization of local trade associations, stimulates local trade in stock securities, handles the sale of native products upon request by private parties, fosters retail trade and releases all sorts of commercial information for the benefit of businessmen and the public in general. The extension of financial aid to agricultural producers is another important activity of the bureau. Major industries, like tobacco, copra, and rice, are helped in this manner. The organization of cooperative marketing associations and the handling and disposal of agricultural products for these associations is a function that promotes the economic welfare of the country.

Trade promotion.—The bureau of commerce sold for various parties, through the produce department of the Manila trading center and exchange, a total of approximately P100,000 worth of native products, such as rice, sugar, leaf tobacco, corn, mango, tiki-tiki, and occasional shipments of peanuts, coffee, and tomatoes.

It released a total of 47,250 copies of daily market reports for Manila, giving in detail information on prices, market conditions, probable trends of business, quotations and market conditions in foreign markets, etc.; the same number of copies for reports on retail quotations on foodstuffs sold in the public markets; 17,500 copies of the weekly trade reviews, which described the movement in the market of the major products; and several hundred monthly trade reviews which summarize conditions during the entire month in regard to the principal native staples. These copies were sent to numerous subscribers that had paid for postage stamps for mailing, and to local newspapers that gave them wide publicity in their columns. As customary, two radio broadcasting stations in the city broadcast the market reports every night.

It organized a convention of Filipino retail merchants from different parts of the islands during the carnival season in 1933. The convention which lasted for one week was attended by many Filipino business men. Several prominent Filipino business men addressed the convention.

The bureau assisted the Samahang Filipino Ng Tindahang Sarisari, an association of Filipino retail merchants in the city, in putting up in the commercial and industrial fair of the 1933 carnival, a model "sari-sari" store, as a means of educating the public on the technique of establishing such a store.

It published an illustrated folder entitled "How to Start and Manage a Sari-Sari Store," describing how a modest but fairly well-equipped sari-sari store could be started with a capital of P300; the means of keeping the store attractive to customers, etc. Ten thousand copies of this pamphlet were printed in English and local dialects, and have been widely distributed.

It aided the growth of the local trade in stock securities by giving correct information, through wide publicity in the local press, as regards the daily, weekly, and

monthly transactions on stocks and bonds in the three stock exchanges in the city.

It published the Philippine Journal of Commerce once a month, having for its features live topics of business and industry, new researches of the bureau on the different industries with bright prospects of development, a monthly review of Philippine trade, a trade information section, a list of new business corporations, a list of newly registered trade marks, business indicators both in figures and graphs, a tariff information section, a graph giving indices of Philippine business conditions, provincial trade notes, etc. At the end of the year the Journal had a total circulation of 1,305 copies, a large portion of which went to foreign countries. Two thousand copies were printed every month.

The bureau answered 3,700 inquiries requesting trade data and other information and conducted over 1,000 new trade investigations.

The bureau gathered foreign tariff publications containing foreign tariff rates and customs regulations for 18 foreign countries, for ready reference by parties interested in the foreign trade of the country. Considerable headway was made in compiling tariff information pertaining to the principal export products of the Philippines. Tariff laws of the following countries were received during the year: Australia, Burma, Belgium, Dutch East Indies, Austria, France, Germany, Great Britain, India, Italy, New Zealand, Norway, Siam, Spain, Switzerland, Turkey, and Czechoslovakia.

The bureau distributed 6,440 copies of the different pamphlets, leaflets, and mimeographed or typewritten articles on different local industries and business topics during the year; and released, besides, numerous press notes on various business and industrial topics of general interest during the year. Four hundred personal calls, in round numbers, for miscellaneous data and information were further served by the bureau during the year.

Responding to the need for an official weekly report on hemp arrivals and stocks at Philippine ports, the bureau arranged to publish such report beginning July 10, 1933. This report, based on the reports furnished by the fiber inspectors in different grading stations in the country, is of great use to hemp exporters and importers of the fiber abroad.

No less than 300 firms in Manila and in the Provinces were investigated by the agents of the bureau during the year in connection with its confidential credit-rating service.

Industrial promotion.—This bureau was in charge of the campaign during the year to increase the local consumption of Philippine products. It assumed direct control and management of the operation of the Manila Trading Center and Exchange when it was created in August. It also directed the participation in commercial fairs and expositions, both in Manila and in the Provinces. Investigations of industrial processes and methods were also made during the year.

Among the most important accomplishments for the promotion of industries during 1933 are the following: Management of the Crystal Arcade Exposition held in January 1933; participation in the 1933 Manila carnival; second floating exposition; first caravan exposition; participation in provincial and municipal fairs and garden days; opening and management of the Manila Trading Center and Exchange; cooperation with provincial trade-promotion associations in the establishment of the trading centers in Cabanatuan and Dagupan; and industrial demonstrations in Lucena, Bacolod, and Iloilo.

The Crystal Arcade Exposition was the first effort made to bring together under one roof the diverse manufactures and industrial products of the islands. Local manufacturers in Manila and in the Provinces were invited to take part in the exposition, and they responded enthusiastically to the call. As a result, a representative national display of the best industrial articles being manufactured locally was made. The attendance in the exposition was most encouraging. People in Manila and from the Provinces flocked to the exposition during the period that it remained open to the public. Besides the inaugural program which was attended by leading government officials and business men, including Governor General and Mrs. Theodore Roosevelt and members of the Philippine Legislature, a series of programs were also held during the exposition while it lasted. These served to keep alive the interest of the public in the exposition.

The total sales at the exposition reached ₱30,000. An essay contest was also held in connection with the exposition in order to draw the interest of the young students in the high schools all over the islands in the purposes and aims of the national display of Philippine-made goods. More than 100 essays were submitted.

In the participation of the bureau in the Manila carnival of 1933, the former policy of merely exhibiting the goods was changed, and actual sales of articles placed on exhibit were made. The bureau's exhibition was divided into three units: (a) Commercial unit, (b) industrial demonstration showing the direct coconut-oil extraction and coir defiberization, and (c) a model sari-sari store in operation. The exhibits were well attended and patronized by carnival visitors.

The demonstration of industrial processes was continued early in the year until this activity was transferred to the bureau of plant industry, in accordance with the general reorganization of the bureaus under the department. The processes demonstrated were the Bohler defiberizing machine and the Clemente-Gonzaga direct extraction of coconut-oil apparatus. The Bohler defiberizing machine was constructed by the bureau from plans furnished by the inventor. The machine defiberizes coconut coirs in a few seconds and classified the fiber into various grades. In the 1933 carnival this machine was exhibited, and demonstrations were also made of the industries that could utilize the fiber made from it, such as the manufacture of brush, cushions, foot mats, and mattings. The Gonzaga oil-extraction apparatus showed the extraction of coconut oil direct from fresh coconut meat. These same machines were also shown in Iloilo and Bacolod prior to their transfer to the bureau of plant industry.

The second floating exposition has been so far one of the most successful ventures of the bureau in its effort to advertise and sell Philippine-made articles. The cableship *Bustamante* was used. The exposition lasted from May 12 to June 2, starting from the port of Manila and visiting 22 of the biggest ports of Mindanao, the Visayan Islands, and the Bicol Region. The exposition made total sales of P24,050.19. The ports touched were New Washington, Capiz, Iloilo, San Carlos, Dumaguete, Cebu, Loay, Mambajao, Cagayan, Iligan, Misamis, Dapitan, Dipolog, Zamboanga, Jolo, Davao, Surigao, Tacloban, Catbalogan, Legaspi, Tabaco, and Masbate. The floating fair was met in all ports by big crowds of people anxious to see and to buy the articles carried on board. Thousands of people from other towns beyond the ports also made efforts to go to meet the exposition. In some of the ports, however, the boat had to anchor at a great distance from the coast, and many people expecting to board the vessel were not able to do so. Eighty-two manufacturers and dealers placed goods on the *Bustamante* for the exposition.

Besides making heavy sales of the goods carried on board, the management of the exposition also established permanent trade connections between the manufacturers and the dealers and distributors in the ports visited. Forty-two new trade connections, mostly agents' or manufacturers' representatives appointed to act as distributors, were established during the trip. The establishment of these connections was one of the most valuable features of the exposition, as it made the results of the exposition more lasting and permanent and has widened the local market for made-in-the-Philippines products. The practical results of the exposition are shown by numerous letters that have been received in the bureau from manufacturers who have taken part in it, reporting increased sales of their products, improvement and expansion of their factories, and wider distribution of their goods in the Provinces.

The first caravan exposition was held in May and June by sending a fleet of 10 autotricks heavily loaded with large assortments of Philippine products to 87 municipalities of western and central Luzon, including those of Rizal, Bulacan, Pampanga, Bataan, Zambales, Pangasinan, Tarlac, and Nueva Ecija. It gave an exhibition of these Philippine products and also sold them to the people of the towns visited. The sales, amounting to P5,660, were made by the caravan. It is estimated that over 20,000 people saw it on its way in the course of the trip. Fifty-seven local merchants and manufacturing firms took part in the exposition.

During the year the bureau took part in various expositions, fairs, and garden days held in different Provinces by sending to them Philippine-made articles for exhibition and sale. Among the provincial expositions in which the bureau took part were those of Aparri, Cagayan; Bayambang, Pangasinan; Binalonan, Pangasinan; Urdaneta, Pangasinan; Malasiqui, Pangasinan; Sta. Barbara, Pangasinan; Davao, Davao; Zamboanga, Zamboanga; Cajidiocan, Romblon; Calapan, Mindoro; Tanauan, Batangas; Surigao, Surigao; Naga, Camarines Sur; Leyte, Leyte; Batangas, Batangas; Jaro, Iloilo; Pasi, Iloilo; Janiway, Iloilo; and Silay, Occidental Negros.

As another means of bringing the service of the department of agriculture and commerce closer to the people, the Manila Trading Center and Exchange was created on June 19, 1933, and placed under the immediate supervision and administration of the director of commerce.

The bureau established the trading center on the ground floor of the De los Reyes Building, Plaza Cervantes, Manila. Articles from all over the islands were gathered and shelves, stands, and equipment were prepared, and by August the trading center was ready to open. The inauguration took place on August 17, 1933. The opening of the trading center was hailed everywhere as a momentous epoch in the history of Philippine economic development. The public saw in it a decisive step to render more effective the campaign for the development of Philippine industries. The trading center serves as a permanent national exposition of made-in-the-Philippines goods and also as a regular market center for the sale of Philippine-made goods. Since its inauguration, the center has been attracting public attention and a wide public interest. It has been divided into two departments—the sales and exhibition hall, where Philippine manufactures are exhibited and sold, and the produce department, where agricultural products like rice, corn, mango, etc., are offered for sale to the public. The trading center has made a campaign to urge the manufacturers of all kinds of articles in the islands to send stocks of their goods to the trading center for sale. At the same time, it has launched a campaign to sell the goods that have been delivered or consigned to it. The center also buys local products for resale to the public at manufacturers' prices. In connection with its sales campaign, the trading center has conducted a weekly radio program over Radio Manila (KZRM), which is broadcast every Saturday at 7:45 p. m. Personal sales solicitations and canvasses have also been made by salesmen of the trading center directly to sari-sari store owners in Manila and buyers in the Provinces. From August 17 to December 31, 1933, a total sale amounting to P75,150.59 was made. This consisted of the sales of manufactured goods consigned to the trading center in the amount of P10,569.75; manufactured goods purchased and resold by the trading center, amounting to P1,284.26; and sales of agricultural products made in the produce department, amounting to P63,256.58. The total income derived from these sales and from the various expositions in which the bureau participated, which constitute a part of the activities of the trading center, amounted on December 31, 1933, to P2,711.38. The total expenses of the trading center for the same period amounted to P2,222.47, thus leaving a net profit of P488.91.

The most significant step taken in the campaign to sell and popularize Philippine-made products was the approval by the Philippine legislature and the Governor General at the latter part of the year of Act No. 4069 which sets aside the amount of P100,000 from the rice and corn fund to be made available for the operation of the Manila Trading Center and Exchange. This step has given stability and permanency to the campaign and has provided the means for a more effective development of domestic industries. The first P20,000 of this fund was released and made available for the trading center during the last quarter of 1933. Of the P3,471 appropriated for the operating expenses of the trading center during the last quarter of 1933, only P2,227.47 was spent, thus leaving an unexpended balance from this item of P1,248.53. Of the P260 made available for the purchase of equipment, only P72.96 was actually spent. Out of the amount of P16,269 set aside for the purchase of Philippine products, only P1,122.08 was actually used, thus leaving a balance of P15,146.92. The bureau has followed a rather conservative policy in the purchase of articles for resale in the trading center as an indiscriminate purchase might lead to stocking the center with frozen merchandise. Only those goods which have an active demand were purchased and advances were given only on articles which have good prospects of immediate sale. So at the end of the year there remained unspent out of the P20,000 allotment the amount of P16,582.49.

To extend the campaign to the Provinces, the bureau also started during the last quarter of 1933 to organize trading centers in the Provinces. Inasmuch as the available field personnel is very small, and in order not to take all the time of the agents in the field, the provincial trading centers have been established by placing them under the direct management and supervision of trade-promotion associations composed of active citizens of the important commercial centers. Before the end of the year, the trading center of Cabanatuan, Nueva Ecija, under the management of the Nueva Ecija Trade Promotion Association and the Dagupan Trading Center under the Dagupan Trade Promotion Association were organized, and steps were also taken to establish the Iloilo Trading Center.

Cooperative marketing.—The campaign conducted for the speedy and proper organization of cooperative marketing associations has resulted in the incorporation of 15 new cooperative marketing associations in different parts of the archipelago, thus bringing to 95 the total number of such associations actually in operation, and in the elimination of obstacles for future organization among the

tobacco growers in other places in the Cagayan Valley, the hemp growers in the Province of Sorsogon, the coconut growers in Laguna and Tayabas, and the rice growers in central Luzon.

Thirteen associations in the Province of Isabela were assisted not only in the classification and baling of the leaf tobacco delivered by the members to the associations for shipment to Manila, but also in obtaining loans from the Philippine National Bank. The total amount of loans obtained from the bank on the security of 6,411 bales of tobacco which were received from these associations is ₱64,960.

Three cooperative marketing associations were declared insolvent during the year and their funds and properties were administered and finally disposed of by this bureau. These were the Baluarte Cooperative Marketing Association, the Biak-na-bato Cooperative Marketing Association, and the Gapan Cooperative Marketing Association.

Fifty-nine bonded rice warehouses were licensed during the year. The bonds filed by these warehouses with the bureau amounted to ₱901,658, while the total amount of insurance policies endorsed to the bureau amounted to ₱773,000.

Rural credits section.—One new association in Hindang, Leyte, and another in Sta. Maria, Isabela, were incorporated during 1933, which brought the total number of agricultural credit cooperative associations in actual operation to 571, with a total membership of 99,413.

The summary of the financial statements received from these associations as of June 30, 1933 (the latest report available from the said associations), shows that these 571 associations made a total net earning of ₱67,073.18, which is classified as follows:

Surpluses.....	₱5, 242. 75
Dividends.....	26, 830. 43
Reserve fund.....	35, 000. 00

The working capital of these 571 associations marked an increase of ₱64,198.26, and the total amount of the actual circulating capital was ₱3,446,771.54. The membership increased by 1,566 members.

The campaign waged by this bureau for the collection of loans due to the rice and corn fund from the said associations has resulted in the considerable increase of the collections as shown in the following tabulation:

Collection from Jan. 1 to Dec. 31, 1933:			
Principal.....	₱49, 324. 44		
Interest.....		₱64, 099. 86	
As compared with the collection made the previous year:			
Principal.....	21, 881. 81		
Interest.....		30, 785. 57	
Increase.....	27, 512. 63	33, 314. 29	
Total increases for 1933.....		60, 826. 92	

Five associations that were indebted to the rice and corn fund made full settlement of their accounts during the year, as follows:

	<i>Original loan</i>
San Jose, Batangas.....	₱5, 000
Santo Tomas, Batangas.....	5, 000
Maribojoc, Bohol.....	5, 000
Placer, Surigao.....	3, 000
San Clemente, Tarlac.....	5, 000

Decisions were rendered by the bureau on 5 cases brought by different parties against members of the boards of directors of the agricultural credit cooperative associations from which no appeal has been interposed, and 5 opinions were rendered by the director in his capacity as legal adviser for the agricultural credit cooperative associations on different questions that were presented to the bureau.

Manila stock market.—An active stock market was definitely established in Manila during the year. Two stock exchanges were organized so that today there are in Manila three different stock exchanges—the Manila Stock Exchange, the Philippine Stock Exchange, and the United Stock Exchange. The bureau had direct supervision over the organization and operation of these exchanges and has helped to promote the business in stock securities during the year.

5. WEATHER BUREAU

Incidental with its activities in relation to meteorological conditions, the weather bureau gives a hand in the promotion of aviation in the Philippines by extending direct aid to pilots and aviation companies. This aid consists mainly in furnishing weather reports and meteorological observations. In this connection the bureau proposes to conduct a study of the upper air by means of pilot balloons. Investigations of climatic conditions in places suitable for health resorts are undertaken by the bureau, and is thus instrumental in a way in the promotion of health resorts.

6. DIVISION OF HOME ECONOMICS

Demonstration work on food preservation and preparation has been the chief activity of this division, but present plans call for other equally important activities, like home management, home improvement, meal planning, budgeting, marketing, child care, house planning, beautification of lawns and gardens, utilization of waste materials, and other work pertaining to home economics.

The demonstration work is carried out in the office and in the field. During the year practical demonstrations were given every Thursday, Friday, and Saturday for the benefit of those interested in canning and food preservation, the utilization of darak, roselle, and soybeans as components of a well-balanced diet, and the preparation of both fancy and economical dishes. An average of 60 students, mostly housewives, came regularly each demonstration day, making up a total of over 8,600 students for 1933. Besides the students who came regularly to learn food preparation and preservation at the laboratories of the division in the science building, special demonstrations were made in private homes, in schools, and in some government institutions on the preparation of rice-bran and soybean dishes.

The Provinces of Tayabas, Pampanga, Bulacan, Batangas, and Camarines Sur were visited, and demonstrations on food preparation and preservation, especially the preparation of rice bran and soybeans, were successfully made in each. The total number of students taught in Mulanay and Tayabas, Province of Tayabas, was 3,521; San Fernando, Pampanga, 2,302; Baliuag, Bulacan, 1,521; Naga and Ragay, Camarines Sur, 8,367; and Batangas, Batangas, 2,731.

In compliance with requests made by property authorities, and with the end in view of popularizing the utilization of rice-bran, soybeans, roselle, bananas, coconuts, rice flour, and similar native healthful and nutritious products, the division of home economics participated in the Mulanay fair, Pampanga carnival, Baliuag fair, Philippine Chamber of Commerce Exposition at Naga, Batangas fiesta, and Ragay town fiesta.

Special demonstrations were made on the preparation and preservation of cheap foods at St. Lukes and St. Pauls Hospitals on the occasion of hospital day, at the Manila trading center on the occasion of the inauguration and ladies day, at the bureau of health during the nurses' convention, and at the Assumption College during the operation of the petite bazaar.

On October 28 the division of home economics started broadcasting 45-minute programs, most of which consisted of educational and instructive matters pertaining to health culture, meal planning, stain removal, efficient washing and laundering, preparation of native dishes, and the like. Authorities on home economics were invited to talk.

7. FISH AND GAME ADMINISTRATION

The fish and game administration handles the enforcement of Act No. 4003 commonly known as the "Fisheries Act", and Act No. 2590, as amended, providing for the protection of game and fish. It also has administration over activities pertaining to hunting and the conservation of wild animal life. In a word, the fish and game administration looks after the proper development of the aquatic resources and the conservation of wild animal life in the Philippines. It gives demonstration and renders assistance to people on matters pertaining to fish-pond culture. Technical members of the staff of the division are called upon from time to time to give advice to fish-pond owners engaged in the cultivation of bangos.

The introduction and distribution of fishes for cultivation is another important undertaking of the division. Gourami, a large fresh-water fish introduced into the Philippines in 1927, has become very popular. Other species, mostly for use in home aquaria, have been distributed by the division.

In the investigations of fishery grounds, herring and "ipon" fisheries, and on edible crustaceans and mollusks, the fish and game administration incidentally embarks on promotional activities, such as giving instructions on the methods and time of catching particular schools of fish, disseminating information relative to the feasibility of developing certain phases of the fishing industry, in localities where conditions warrant, and similar activities.

Through enforcement of the law, the preservation of game is fostered. These game refuges and bird sanctuaries are under the administration of the division, namely, the Makiling Botanic Garden in Laguna, the northwestern corner of Mindoro and Cavite Mountain, and Sombrero and Arenas Islands in Palawan. Besides these, all communal forests and communal pastures established by the bureau of forestry are game refuges.

8. DIVISION OF MINERAL RESOURCES

The extensional service performed by the division of mineral resources is carried out in connection with the development of the mineral resources of the country, which is the main function of the division. The division conducts geological investigations in localities where location of claims and prospecting and development work are active. While much of the time is devoted to the routine work which, by the way, cannot be distinctly divided into general service and promotional work, still the division conducts frequent geological surveys and mine examination, identifies rocks and minerals for the general public, assays ores, smelt and refine gold bullion for private individuals or companies, makes examination of well logs and determines suitable sites for artesian wells and, in general, gives advice and help to persons interested in the mining industry. An important service rendered by the division during the year was the evaluation of mining properties in cooperation with the bureau of commerce and the bureau of treasury in connection with the enforcement of the blue sky law. As a guide to those interested in mining, the division published a pamphlet entitled "A Brief Description of the Philippine Mining Laws, Rules and Regulations."

B. GENERAL SERVICE

1. BUREAU OF LANDS

ADMINISTRATION OF PUBLIC LANDS

Public lands concession.—The following table shows the number of applications and area of agricultural public lands disposed of by homestead, sale, lease, and free patent:

Kind of applications	1932		1933	
	Number of applications	Area in hectares	Number of applications	Area in hectares
Homesteads:				
Received.....	8,848	149,498.5104	7,861	134,032.8011
Rejected.....	5,377	94,705.6070	2,608	47,966.8204
Entries allowed.....	7,255	110,648.1940	5,041	78,393.0944
Canceled.....	1,700	25,267.9340	3,217	44,166.8574
Patents issued.....	3,435	41,794.7912	4,310	53,079.5501
Reinstated.....	717	11,707.8743	748	13,186.7417
Pending.....	19,194	357,201.7598	20,102	376,903.5181
Sales:				
Received.....	1,140	44,374.6325	1,164	39,868.8864
Rejected.....	1,206	69,820.8083	808	39,708.6976
Awarded.....	337	13,021.0401	346	8,438.2956
Canceled.....	98	4,176.5239	68	4,944.9406
Patents issued.....	80	978.1091	73	956.9671
Reinstated.....	101	5,857.4258	71	4,311.0674
Pending.....	4,149	228,140.0265	4,222	222,920.1336
Lease:				
Received.....	197	31,147.0349	182	15,198.4647
Rejected.....	329	82,417.2902	234	44,571.0600
Awarded.....	11	3,508.8145	6	334.8300
Canceled.....	16	9,478.5968	9	2,237.4997
Reinstated.....	20	6,011.4973	8	2,579.2500
Pending.....	1,132	269,024.4604	1,080	241,828.3451

ADMINISTRATION OF PUBLIC LANDS—continued

Public lands concession—Continued.

Kind of applications	1932		1933	
	Number of applications	Area in hectares	Number of applications	Area in hectares
Free patent:				
Received.....	1,692	11,057.6928	1,601	10,807.7013
Rejected.....	698	4,680.1752	400	3,170.8788
Entries allowed.....	1,532	7,603.9263	1,068	6,008.7626
Canceled.....	320	1,500.1561	507	1,589.8013
Patents issued.....	1,354	5,700.3104	1,607	7,232.8745
Patents canceled.....	1	4154		
Reinstated.....	34	226.7304	15	132.9861
Pending.....	3,370	29,031.1597	3,516	30,788.2901

Public-lands investigation.—A comparison of the work accomplished in public-land investigation during the years 1932 and 1933 is given in the following table:

	1932	1933
Orders executed.....	26,406	29,767
Orders pending.....	17,855	16,175

Forfeited properties.—The administration and disposition of lands forfeited to the government for delinquency in the payment of taxes, which formerly formed part of the functions of the bureau, have been transferred to the provincial treasurer of the province where the lands are located by operation of Act No. 3995.

DISPOSITION OF FRIAR LANDS AND SAN LAZARO ESTATES

Friar-land estates.—The friar-land estates consist of 23 separate estates located in the provinces of Bataan, Bulacan, Cavite, Cebu, Isabela, Laguna, Mindoro, and Rizal, comprising an aggregate number of 53,699 subdivision lots with a total area of 153,329.3821 hectares valued at ₱21,517,650.78.

The following statement shows the number and extent of friar lands sold up to and including December 31, 1933, representing 94.4 percent of the total area of all the estates:

Total number of lots sold.....	52,182
Total area in hectares.....	144,946.2860
Total sale value.....	₱20,458,874.78

Sale of vacant lots.—During the year there were sold 60 lots with a total area of 662.5591 hectares valued at ₱52,715.13 as compared with 128 lots with a total area of 582.3133 hectares valued at ₱56,349.28 sold during the preceding year.

Lands sold and fully paid up.—In 1933 there was paid the sum of ₱12,023,-610.39, representing the total sale value of 42,306 lots, covering an aggregate area of 70,066.6044 hectares, as against the sum of ₱1,544,210.33, representing the total sale value of 3,688 lots, covering an aggregate area of 8,686.1594 hectares, paid up in 1932.

Collections.—Notwithstanding the present monetary crisis, the collections during the year showed an increase of ₱48,184.76 over those for 1932. The increase obtained was the direct result of the campaign of serving personally individual notices on the purchasers who are in arrears, and also of filing civil suits against them. There have been served during the year a total of 1,534 notices on a like number of individual purchasers, and the bureau has received payments for 597 lots.

Sources of income.—The collections from January 1 to December 31, 1933, derived from different sources, such as the payment of installments and interest on the purchase price of lots, irrigation fees, and miscellaneous receipts amounted to ₱315,835.81 as against ₱267,651.05 collected in 1932 from the same sources.

Summary.—A summary of the actual status of the lands sold and unsold within the 23 friar-land estates at the close of business on December 31, 1933, is shown in the following table:

	Number of lots	Area in hectares	Value
Lands sold and fully paid up.....	42,306	70,066.6044	P12,023,610.39
Lands sold and partially paid up.....	9,876	74,879.6816	8,435,264.39
Vacant and unsold lands.....	1,511	7,301.9797	986,574.00
Lands technically vacant being temporarily reserved for the bureau of animal industry, science, forestry, and constabulary.....	6	1,081.1164	72,202.00
Total.....	53,699	153,329.3821	21,517,650.78

Resurvey and reclassification of friar lands.—The field work of the resurvey of the Talisay-Minglanilla estate by survey party No. 22-B stationed at Talisay, Cebu, was completed about the middle of November 1933 and the computation work is now in progress. The special survey party at Rosario, Cavite, is executing the subdivision of big lots into smaller parcels to attract prospective purchasers. This party is also in charge of the reconnaissance and survey of agricultural roads; of the preparation of plans of dams, reservoirs, and gates; of the hydrographic survey of rivers and creeks to be dammed; and of the preparation of the profile and contour maps of irrigation ditches and roads in the Provinces of Bulacan, Cavite, Laguna, and Rizal.

The following tabulated statement shows the work accomplished during the year 1933:

Estate	Number of lots subdivided	Area in hectares
Muntinlupa.....	4	0.4851
S. F. de Malabon.....	46	4.3265
S. C. de Malabon.....	193	313.4769
Talisay-Minglanilla.....	639	1,227.0000
Total.....	882	1,545.2885

Friar-land-investment fund.—The operations of the friar lands loan fund are summarized in the following table:

Original operating capital.....	P100,000.00
Add total amount of interest on loans collected up to and including Dec. 31, 1933.....	347,053.47
Total operating capital as of Dec. 31, 1933.....	447,053.47

Distribution

Item	Number of contracts	Amount
Operating capital on Jan. 1, 1933.....		P439,624.15
Less total outstanding loans on Jan. 1, 1933.....	159	120,328.72
Balance available for loans on Jan. 1, 1933.....		319,295.43
Add total collections from Jan. 1 to Dec. 31, 1933:		
(a) Repayment of principal.....	35	P32,567.24
(b) Interest on loans.....		9,029.32
		41,596.56
Total available for loan on Dec. 31, 1933.....		360,891.99
Less—		
(a) New loans granted, 1933.....	19	30,370.00
(b) Advances for insurance and court fees.....	3	102.09
		30,472.09
Balance available for loan on Jan. 1, 1934.....		330,419.90
Add total outstanding loans, Dec. 31, 1933.....	143	116,633.57
Total operating capital on Jan. 1, 1934.....		447,053.47

SAN LAZARO ESTATE

Disposition.—The present status of the disposition of the San Lazaro estate is shown in the following table:

Total	Area (square meters)	Value
Total occupied lands with contracts.....	613, 579. 6	P2, 095, 726. 82
Total occupied lands without contracts.....	420, 951. 0	1, 484, 178. 00
Total.....	1, 034, 530. 6	3, 579, 904. 82

Collections.—The total receipts derived from the administration of the San Lazaro estate for the year 1933 amounted to P138,356.23, as against the receipts derived in 1932, which amounted to P181,736.37.

San Lazaro investment fund.—The transactions with respect to the San Lazaro investment fund from January 1 to December 31, 1933, are shown in the following table:

Item	Number of contracts	Amount
Original operating capital on Jan. 1, 1933.....		P1, 924, 182. 17
Less outstanding loans on Jan. 1, 1933.....	342	P1, 821, 390. 90
Account 1217 Florencio Reyes closed to B-8-3, Dec. 31, 1933.....	1	8, 425. 94
		1, 829, 816. 84
Balance available for loan on Jan. 1, 1933.....		94, 365. 33
Add total collections from Jan. 1 to Dec. 31, 1933:		
Repayment of loan principal (closed account).....	30	211, 062. 06
Installments on properties sold (B-10-c).....	8	5, 311. 00
Installments on lots sold (E-39).....		5, 211. 00
		221, 584. 06
Total amount available for loan on Dec. 31, 1933.....		315, 949. 39
Less total disbursements from Jan. 1 to Dec. 31, 1933:		
New loans granted during 1933.....	29	183, 441. 00
Advances on insurance, court fees, taxes, etc.....		4, 895. 62
Philippine National Bank (bonds).....		6, 000. 00
		194, 336. 62
Balance available for loan as on Dec. 31, 1933.....		121, 612. 77
Add:		
Outstanding loans on Dec. 31, 1933.....	323	
Active loans (real estate) B-10.....	249	1, 348, 379. 93
Active loans (chattel mortgage, B-10).....	60	81, 827. 54
Foreclosed loans (real estate, B-10).....	14	77, 243. 05
Philippine National Bank (bonds) B-10-a.....		171, 000. 00
Forfeited properties owned by the government (B-10-b).....	10	87, 566. 75
Forfeited properties already sold (accounts receivable, B-10-c).....	9	47, 540. 00
		1, 813, 657. 27
Total operating capital on Jan. 1, 1934.....		1, 935, 270. 04

CLAIMS AND CONFLICTS

Orders of investigation and reinvestigation.—The following table shows the total number of orders of investigation and reinvestigation issued during the years 1932 and 1933, as well as the number of reports returned during the same years for being defective or incomplete:

	1932	1933
Orders of investigation.....	1, 357	1, 136
Orders of reinvestigation.....	50	62
Reports returned for being defective or incomplete.....	11	32

Disposition of claims and conflicts.—There were 1,626 decisions rendered by the bureau in 1933 as compared with 2,253 decisions rendered in 1932.

Disposition of motions or petitions for reconsideration.—The number of orders granting or denying requests for reconsideration as well as the number of orders suspending the effects of decisions and orders of execution of final decisions during the years 1932 and 1933, is shown in the following table:

	1932	1933
Orders granting requests for reconsideration of decisions and ordering investigation.....	157	75
Orders dismissing requests for reconsideration of decisions.....	276	188
Orders suspending effects of decisions.....	93	64
Orders of execution of decisions.....	59	43

Appeals to the department.—There were 77 decisions of the director of lands appealed to the department in 1933 as against 159 appealed in 1932.

The following comparative table shows how the decisions brought on appeal were disposed of by the department:

	1932	1933
Affirmed or dismissed.....	116	59
Reversed or modified.....	18	11
Remanded for reinvestigation.....	25	7
Total.....	159	77

LAND REGISTRATION

Cadastral proceedings (Acts Nos. 2259 and 3327).—There were 50 petitions sent to the solicitor general for the institution of cadastral proceedings in 1933 as compared with 90 sent in 1932. In the petitions for 1932, 66,545 lots were involved with an area of 243,418 hectares, while in the petitions for 1933, 32,260 lots were involved with an area of 318,662 hectares.

Cadastral cases decreed in 1932 and 1933.—According to records of court decisions received in the bureau, more cadastral cases were decreed in 1933 than in 1932 as shown in the following table:

Year	Number of cases	Number of lots	Area in hectares
1932.....	37	28,311	56,348
1933.....	61	45,966	129,882

Compulsory registration proceedings (secs. 50 and 85, Act 2874).—Under the provisions of sections 50 and 85 of Act No. 2874, as amended, there were filed in 1933, 33 petitions for compulsory registration involving 77 lots covering 6,138,9962 hectares as against 24 petitions filed in 1932 involving 117 lots with an aggregate area of 1,521.3705 hectares.

Claims filed in regular cadastral cases.—The number of claims filed each year for the last 5 years by the bureau in regular cadastral cases is as follows:

Year:	Number of claims
1929.....	74
1930.....	101
1931.....	101
1932.....	109
1933.....	89

Claims filed in compulsory registration cases.—The number of claims filed in 1933 in compulsory registration cases, as well as the number of claims in such cases filed for the preceding 4 years, is as follows:

Year:	Number of claims
1929.....	17
1930.....	26
1931.....	39
1932.....	24
1933.....	33

Examination of court decisions, orders, etc.—The decisions and orders of all the courts of first instance in registration cases of any kind—ordinary, cadastral, or compulsory—are examined in the bureau, to determine whether or not appeals from the same should be perfected. The number of such decisions and orders examined this year and in the preceding year is as follows:

Kinds of decisions and orders	1932	1933
Ordinary registration cases.....	2,568	2,613
Cadastral cases.....	4,731	4,268
Compulsory registration cases.....	149	153
Total.....	7,448	7,034

SURVEYS

Isolated land surveys ordered to public-land surveyors.—Requests for isolated land surveys are received from various sources. In general, when the applicants are private individuals or enterprises that desire to have their lands surveyed for land registration or other purposes, they are referred to private-land surveyors, but in many cases the survey has to be undertaken by the bureau of lands.

At the beginning of the year there were 10,437 surveys pending from the previous year 1932, while at the end of the year there were on hand 12,718 surveys which will be attended to during the year 1934.

Comparatively, the years 1932 and 1933 stand as follows in this matter:

Year	On hand Jan. 1	Ordered	Completed Jan. 1– Dec. 31	On hand Dec. 31
1932.....	10,928	6,416	6,907	10,437
1933.....	10,437	12,284	10,003	12,718

Survey returns received in Manila.—The number of survey returns received in Manila during the years 1932 and 1933 stands as follows:

Year	Private lands ¹	Public lands ¹	Miscel- laneous lands ¹	Total ¹	Private lands ²	Public lands ²	Miscel- laneous lands ²	Grand total	
								Surveys	Parcels
1932.....	1,022	4,897	363	9,282	4,945	82	208	14,517	38,670
1933.....	824	8,723	456	10,003	3,112	89	262	13,466	25,525

¹ Surveyed by public-land surveyors and deputy public-land surveyors.

² Surveyed by private-land surveyors.

Sketching on cadastral map sheets.—The number of surveys sketched annually on cadastral map sheets from 1931 to 1933, classified into private land, public land, and miscellaneous, may be seen from the following table:

Class of surveys	1931		1932		1933	
	Surveys	Parcels	Surveys	Parcels	Surveys	Parcels
Private lands ¹	8,391	14,448	3,860	6,454	¹ ,964	3,265
Private lands ²	44	45	75	80	74	77
Public lands.....	3,636	3,770	4,318	4,461	4,346	4,422
Miscellaneous lands.....	124	127	31	31	56	58
Total.....	12,195	18,390	8,284	11,026	6,440	7,822

¹ Surveyed by private-land surveyors.

² Surveyed by public-land surveyors.

Computations on isolated land surveys.—The amount of computation work accomplished on all surveys, outside and inside cadastral projects, during the years 1932 and 1933, may be summarized as follows:

Class of surveys	Completed during 1932		Completed during 1933		On hand on Dec 31, 1933	
	Surveys	Parcels	Surveys	Parcels	Surveys	Parcels
Private lands ¹	5,625	19,220	3,766	12,286	286	2,316
Private lands ²	167	334	130	232	11	16
Public lands.....	8,351	9,605	8,461	9,681	896	990
Miscellaneous lands.....	1,762	5,777	1,408	4,249	243	624
Total.....	15,905	34,936	13,765	26,448	1,436	3,946

¹ Surveyed by private-land surveyors.

² Surveyed by public-land surveyors.

Preparation of plans.—The number of plans completed in 1932 and 1933 and the number on hand on December 31, 1933, classified into private, public, and miscellaneous land surveys, are shown in the following table:

Class of surveys	Completed during 1932		Completed during 1933		On hand Dec. 31, 1933	
	Surveys	Parcels	Surveys	Parcels	Surveys	Parcels
Private lands ¹	5,528	14,853	3,667	12,063	497	1,238
Private lands ²	475	1,512	659	2,905	43	64
Public lands.....	6,033	6,952	5,933	6,618	271	334
Miscellaneous lands.....	1,372	4,011	1,169	3,820	165	1,030
Total.....	13,408	27,328	11,428	25,406	976	2,666

¹ Surveyed by private-land surveyors.

² Surveyed by public-land surveyors.

Final platting on cadastral map sheets.—Classified into groups, the number of surveys finally platted on the cadastral map sheets from 1931 to 1933 is as follows:

Class of surveys	1931		1932		1933	
	Surveys	Parcels	Surveys	Parcels	Surveys	Parcels
Private lands ¹	14,196	29,119	4,969	12,681	2,703	6,375
Private lands ²	818	4,304	365	3,187	155	541
Public lands.....	2,936	3,202	4,866	5,482	6,269	6,825
Miscellaneous lands.....	709	2,939	1,138	2,942	795	2,501
Total.....	18,659	39,564	11,336	24,292	9,886	16,242

¹ Surveyed by private-land surveyors.

² Surveyed by public-land surveyors.

Work on hand—isolated land surveys.—The following table shows comparatively in parcels the progress of the verification of isolated land surveys in the central office during the last 5 years:

Year	On hand	Received	Completed	Year	On hand	Received	Completed
1929.....	17,394	35,050	25,096	1932.....	7,566	38,670	28,492
1930.....	27,348	35,691	39,127	1933.....	16,912	25,525	28,771
1931.....	23,912	31,658	47,057	1934.....	13,306	-----	-----

Surveys finally completed.—The work finally completed yearly on isolated and miscellaneous land surveys for the last 5 years is as follows:

Year	Number of lots	Area in hectares
1929.....	25,096	199,576
1930.....	39,127	105,649
1931.....	47,057	225,075
1932.....	28,492	204,342
1933.....	28,771	185,320

Public land subdivisions.—In view of the enactment of Act No. 4031 appropriating the sum of ₱150,000 for the survey and subdivision of public lands in the Philippine Islands, the survey and subdivision of the following public lands were inaugurated during 1933:

Province and municipality	B. L. No.—	Date of inauguration	Probable date of completion	Approximate	
				Number of lots	Area in hectares
Agusan: Libertad.....	Pls. 22.....	Oct. 25, 1933	April 1936...	1,500	5,000
Bohol: Carmen and Sierra Bullones.....	Pls. 4.....	Oct. 2, 1933	December 1934.	10	15,000
Bulacan:					
Angat.....	Pls. 19.....	June 12, 1933	June 1934.....	42	250
San Miguel.....	do.....	do.....	do.....	1,100	6,700
Isabela: Gamu and Ilagan.....	Pls. 15.....	Feb. 20, 1933	do.....	2,800	28,107
Nueva Ecija:					
Laur.....	Pls. 16.....	March 1933..	Nov. 20, 1933	138	940
Papaya.....	Pls. 17.....	do.....	do.....	63	453
Nueva Vizcaya: Casibu District.....	Pls. 18.....	May 12, 1933	June 1934.....	225	1,115
Occidental Negros: Cadiz.....	Pls. 20.....	Sept. 1, 1933	Apr. 30, 1933	130	1,075
Sorsogon: Matnog.....	Pls. 23.....	Oct. 5, 1933	Dec. 26, 1933	42	85
Total.....				8,050	58,725

OLD SUBDIVISION PROJECTS

Lanao: Kolambugan.....	Pls. 13.....	Sept. 20, 1931 (1st loop)	Jan. 15, 1934	1,010	12,200
Tayabas: Baler.....	Pls. 11.....	October 1930	March 1934..	824	1,900
Total.....				1,834	14,100
Grand total.....				9,884	72,825

Of the foregoing public land delimitation and subdivision projects, only those of Laur and Papaya in Nueva Ecija, and Matnog, Sorsogon, designated as "B. L. Survey Nos. Pls.—16, Pls.—17, and Pls.—23", respectively, with the total of 253 lots and 1,478 hectares, were completed during the year 1933.

CADASTRAL LAND SURVEYS

Applications for cadastral land surveys.—There were 251 municipalities which have applied for cadastral survey prior to the year 1923, but which have not yet been requested to furnish new data for a revised estimate of survey costs. Since

1923 the following new applications have been received and acted upon as indicated herein:

	<i>Number of municipalities</i>
Forwarded to the Provincial treasurers for data.....	13
Forwarded to Provincial treasurers for adoption of model resolutions by the Provincial boards and municipal councils.....	81
Forwarded to the secretary of agriculture and commerce for authorization of survey.....	7
Projects authorized by the Governor General, pending inauguration.....	74
New projects inaugurated.....	0

Cadastral surveys inaugurated.—No cadastral project was inaugurated in 1933. The following comparative table shows the amount of cadastral work inaugurated during the last 5 years:

Year	Number of lots	Area in hectares
1929.....	34, 099	69, 171
1930.....	50, 089	82, 530
1931.....	22, 500	17, 000
1932.....	19, 138	209, 000
1933.....	0	0

Cadastral projects in progress in the field.—On December 31, 1933, the following were the projects in progress in the field:

Number of municipalities.....	10
Extent of projects:	
Number of lots.....	83, 430
Area in hectares.....	312, 389
Surveyed:	
Number of lots.....	61, 947
Area in hectares.....	149, 997

Projects completed in the field.—During the year 1933, the projects completed in the field involved 32,593 lots having a total area of 139,681 hectares.

Cadastral survey computations.—The following table shows the amount of work completed by the section of cadastral survey computations in the year 1932 and 1933:

Year	Cases	Lots	Area	Corners
1932.....	96	69, 158	373, 873	605, 884
1933.....	49	39, 344	154, 272	317, 553

Cadastral survey maps.—Compared with the year 1932, the work accomplished on cadastral survey maps during the year 1933, has decreased as shown by the following data:

Year	Number of cases	Number of lots	Area in hectares
1932.....	84	65, 440	310, 031
1933.....	60	40, 739	221, 538
Difference.....	24	24, 701	88, 493

The decrease was due to the suppression during the previous years of the inauguration of cadastral projects and to the retrenchment policy adopted.

The following table shows in parcels the progress of the verification of cadastral surveys in the central office during the last 5 years:

Year	On hand	Received	Completed
1929	115, 108	69, 425	69, 271
1930	115, 238	52, 796	72, 748
1931	95, 286	88, 528	143, 051
1932	40, 763	43, 939	65, 440
1933	19, 262	42, 056	40, 739
1934	20, 579	-----	-----

Progress of cadastral surveys.—The cadastral surveys completed in the field and submitted to the Manila office during the period from 1910 to December 31, 1933, reached a total of 1,237 cases involving 1,057,089 lots and an aggregate area of 3,738,515 hectares.

Cadastral projects undertaken by private enterprises.—From February 24, 1921, to December 31, 1933, there have been undertaken by private surveying corporations under Act No. 2989, as amended, 119 cadastral projects, consisting of 127,465 lots with an aggregate area of 258,554 hectares.

Collection of cadastral costs.—The collection of cadastral costs during the year 1933 as compared with that of 1932 is as follows:

	Amount
1932	₱403, 822. 23
1933	394, 933. 16

Respectfully submitted.

JORGE B. VARGAS,
Acting Secretary.

ANNUAL REPORT OF THE DEPARTMENT OF THE INTERIOR AND LABOR

DEPARTMENT OF THE INTERIOR AND LABOR,
Manila, March 23, 1934.

SIR: In accordance with section 91 of the Administrative Code, I have the honor to submit the following annual report of the department of the interior and labor for the calendar year ending December 31, 1933.

REGULAR PROVINCES

A policy of strict economy in local governmental expenses was announced early in the year. The adoption of such a policy was considered necessary in order to save the Provinces, municipalities, and chartered cities from financial embarrassments at the end of the year, as there was noted from the early collection reports received a downward trend in their revenue collections. In accordance with this policy, instructions were issued advising against the creation of new positions, the granting of salary increases, the filling of vacant positions, and the purchase of new equipments, unless absolutely necessary in the interest of the service. The local officials were also enjoined to consider every expenditure not from the viewpoint of whether there was money available or it was desirable and convenient, but from the point of view of whether it was essential or absolutely necessary. All provincial, municipal, and city treasurers were likewise warned against incurring in overdrafts by using trust funds without proper authority. It is gratifying to state that through the whole-hearted cooperation of all concerned this policy of strict economy in the expenditure of local funds was rigidly observed throughout the year.

Notwithstanding rigid adherence to the strict economy policy announced early in the year, it appeared toward the middle of the year that unless drastic action was taken many Provinces would become unable to meet even the absolutely necessary expenses in view of the continued decline in their revenue collections as a result of the acute business depression that prevails throughout the country. The immediate problem was to adjust the expenses of the local governments during the remaining 6 months of the year to the amounts of estimated incomes that could be reasonably realized at the end of the year judging from the collections already made during the first half of the year. It was, therefore, decided to create a committee composed of Mr. José L. Perez, Provincial treasurer of Tarlac, as chairman, and Mr. Albino Kabigting, Provincial treasurer of Rizal; Mr. Andres Agcaoili, Provincial treasurer of Tayabas, and Mr. Saturnino David, Provincial treasurer of Laguna, as members, whose duty it was to conduct a survey of the condition of the finances of the Provinces, municipalities, and the cities of Manila and Baguio

with a view to studying ways and means, first, of solving the immediate problem which was to save the local governments from financial insolvency at the end of the year, and, secondly, to improve the present financial system of the local governments. The first step taken was the adoption of new financial report forms which would, at a glance, show in concise but clear fashion the status of the finances of the local political units and subdivisions.

Accordingly, provincial form No. 203, entitled "Monthly Administrative Analysis of the Provincial Finances" and municipal form No. 106, entitled "Monthly Administrative Analysis of the Municipal Finances" were adopted. These new forms contain a concise demonstration of (a) the budget status, (b) the actual cash transactions in different funds, (c) the actual collections as compared with the estimated incomes, and (d) the consolidated balance sheet. Said forms give a very clear information as to the net wealth of every Province, municipality, or city; whether the same is increasing or decreasing at any given time; whether its funds are becoming prematurely exhausted; whether its supplies in store are maintained in excessive amounts, having in mind the proximity to commercial centers of distribution; and the amount of its unpaid obligations and accounts receivable. By thus showing plainly and periodically the financial status of the local governments, not only is this department enabled to exercise a more effective control and supervision over them, but also each one of them is placed in a position to carefully watch its own resources and expenditures, to adjust itself to prevailing conditions, to live within the limits of its finances, and to avoid gambling with its future. The use of these new forms has received the approval of the Governor General in the following language:

I believe this form (referring to provincial form No. 203) to be most excellent in that it apparently is the complete financial analysis such as I desire from each Province each month. The remarks are complete and very enlightening.

During the year covered by this report, the committee was able to complete the survey of the 49 Provinces and the city of Baguio. The survey of the municipalities and the city of Manila will be undertaken this year.

This survey revealed that in many cases the estimates of income were highly inflated; that some appropriations did not cover the entire calendar year; that Provinces have purchased and carried in stock, under suspense accounts (supplies and materials, A-5), equipments without appropriations therefor, contrary to law and regulations; and that long overdue obligations, some of which are over 5 years old, pertaining to cadastral costs and election expenses mostly, have not been taken up in the accounts, thereby concealing or hiding overdrafts and showing fictitious, instead of real, balances of funds. The provincial governors and the provincial treasurers of the Provinces having inflated estimates of incomes and appropriations for less than the entire calendar year were called to Manila for conferences at which it was decided to revise downward their budget estimates and appropriations for the remainder of the year.

As a result of said budget readjustments, all the Provinces, with the exception of Antique, Batanes, Iloilo, Masbate, Misamis Occidental, Nueva Ecija, Pampanga, and Rizal, effected slashes in salaries and reductions in automobile allowances and per diems. The salary reductions ranged from 1 percent to as high as 50 percent. The reductions

authorized by the Provinces of Batangas, Bohol, Capiz, Laguna, La Union, Negros Occidental, Tarlac, Zambales and Sulu were refunded at the end of the year, there being sufficient funds to cover same. The monthly administrative analysis submitted to this department revealed the fact that every month from June to October the local officials were exerting sincere and earnest efforts toward reducing, if not entirely eliminating, the existing overdrafts. It appeared, however, that, in addition to reducing the expenses, it was necessary to conduct a more aggressive tax collection campaign during the remaining months of the year and in accordance with the instructions of the Governor General of November 8, 1933, this department instructed the provincial governors and the provincial treasurers on November 10, 1933, to undertake a most aggressive tax-collection campaign. The pertinent portion of our circular reads as follows:

I join him in this appeal and wish to urge upon each and every local official and employee to lend their full cooperation and assistance to the collecting officials who are hereby instructed to wage a most aggressive campaign in the collection of taxes. An appeal should be made to the public emphasizing the absolute necessity of paying their taxes now to avoid the incurrence of overdrafts at the end of the year. All municipal presidents, vice presidents, municipal councilors, barrio lieutenants, and members of rural councils should be urged to lend full assistance to the provincial treasurers, municipal treasurers, and other collecting officials.

The goal is to close all accounts at the end of the year without any overdraft and to start the new year on a sound financial basis. This can be attained by making every effort to collect all taxes due and reduce government expenses to the minimum consistent with efficiency in the service. The cooperation of all provincial and municipal officials and employees and of the taxpaying public is absolutely necessary to the attainment of this goal.

As a result of the measures taken, first, to reduce expenses and, second, to wage an aggressive tax-collection campaign, the year 1933 ended with most Provinces in excellent financial condition. Of the 49 Provinces, 39 of them, or 80 percent, closed their accounts at the end of the year without any overdraft in any fund. These Provinces are: Abra, Antique, Bataan, Batanes, Batangas, Bohol, Bulacan, Camarines Norte, Camarines Sur, Capiz, Cavite, Cebu, Ilocos Norte, Ilocos Sur, Iloilo, Isabela, Laguna, La Union, Leyte, Marinduque, Masbate, Misamis Occidental, Negros Occidental, Nueva Ecija, Pampanga, Pangasinan, Rizal, Samar, Tarlac, Zambales, Agusan, Bukidnon, Cotabato, Davao, Lanao, Mountain Province, Nueva Vizcaya, Sulu, and Zamboanga. It is interesting to note that of the 22 Provinces that were granted a partial remission of the 1933 real-property tax (Albay, Bataan, Camarines Norte, Camarines Sur, Capiz, Cavite, Cebu, Ilocos Sur, Laguna, Leyte, Marinduque, Masbate, Misamis Occidental, Misamis Oriental, Nueva Ecija, Palawan, Pangasinan, Romblon, Sorsogon, Surigao, Tarlac, and Tayabas), 14 of them, namely, Bataan, Camarines Norte, Camarines Sur, Capiz, Cavite, Cebu, Ilocos Sur, Laguna, Leyte, Marinduque, Masbate, Misamis Occidental, Nueva Ecija, and Pangasinan are included in the list of sound Provinces, which fact shows that the remission did not affect the financial stability of said Provinces. The salutary result is due to the fact that in 1933 the remission was authorized only in provinces that were able to reduce their administrative expenses by amounts represented by the remission, without sacrificing essential activities, the economies having been made in the nonessential activities.

Of the Provinces that closed their accounts at the end of the year without overdraft, special mention should be made of the Provinces of

Camarines Norte, Camarines Sur, Marinduque, Samar, and Zambales which had overdrafts in their different funds at the beginning of the year 1933. The Provinces which closed their accounts at the end of the year with overdrafts in the different funds were 10, namely, Albay and Catanduanes, Cagayan, Mindoro, Misamis Oriental, Negros Oriental, Palawan, Romblon, Sorsogon, Surigao, and Tayabas. The unsound condition of the finances of these Provinces was due not to bad administration during the year 1933 but to the accumulated obligations pertaining to the years previous to 1933 which had not, contrary to existing regulations, been taken up in the accounts until instructions to take them up had been issued by this department in accordance with our circular of December 1, 1933 (unnumbered).

In reviewing the accomplishments of the Provinces during the year under review, I can state, without fear of successful contradiction, that their most outstanding achievement was the maintenance of a sound financial condition in the face of the most acute economic depression. Even the 10 Provinces that had overdrafts at the end of the year have made splendid records insofar as the operations of 1933 were concerned, the existing overdrafts being accumulated obligations pertaining to previous years. This very splendid record was made possible through the earnest efforts of all local officials in carrying out the policy of this department announced in the early part of the year of reducing the expenses of the administration to the minimum, without sacrificing efficiency, and of waging a most aggressive campaign of tax collection; to the patriotism of the local officials and employees in willingly giving up portions of their emoluments so that they may be able to help reduce the expenses of the government; the sacrifices of the great body of taxpayers who have denied themselves and their family of some comfort and convenience so that they may be able to pay their taxes to the government; and finally, to the sympathetic support and encouragement given by His Excellency the Governor General, to the policy of this department.

PROVINCES UNDER THE JURISDICTION OF THE BUREAU OF NON-CHRISTIAN TRIBES

The financial condition of these Provinces cannot as yet be ascertained at this writing. But judging from reports received up to the end of November, there was considerable decrease in revenue collections, except in the Mountain Province. Expenses were, however, correspondingly reduced and accordingly not one of the nine Provinces under the bureau of non-Christian tribes incurred any deficit. The Mountain Province was greatly benefited by mining activities as evidenced by the increase of the number of mining instruments received for record from 1,121 instruments for 1932 to 20,765 instruments for 1933, or an increase of 19,644. An increase was registered in the assessed valuation of real property as shown in the November assessments reports submitted by the provincial treasurers. The totals for the nine Provinces are as follows:

	November 1932	November 1933	Increase
Taxable.....	P108, 765, 150	P110, 003, 080	P1, 237, 930
Exempt.....	10, 674, 310	11, 732, 580	1, 058, 279
Totals.....	119, 439, 460	121, 735, 660	2, 296, 200

CITY OF MANILA

The total income for the year 1933 reached the aggregate amount of ₱8,018,032.86, which, compared with the amount of ₱8,161,721.56 for the year 1932, shows a decrease in revenue of the city of Manila of ₱143,588.70. This decrease was due to the reassessment of city properties due to the decline in the price of buildings and properties as well as to the continuous protests of property owners of the city of Manila. The decrease from this source only amounts to ₱100,278.67 compared with the collection from the same source for the year 1932. Notwithstanding the decrease in revenue, the city of Manila has, on December 31, 1933, been able to close its books with a net surplus of ₱305,058.79. The cancelation of the contract which was made by His Excellency, the Governor General, upon recommendation of this department, for the supply and delivery of stones for the use of the city of Manila contributed largely to the swelling of the net surplus mentioned above. The reorganization of the government of the city of Manila by the committee designated by this department and the cooperation of the city officials also helped in effecting the surplus already referred to above.

CITY OF BAGUIO

The finances of the city of Baguio have been excellent, although there has been a reduction of ₱29,819.48 in revenues. This decrease, however, was overcome by effecting economy in the expenditures in the sum of ₱41,107.91. The city of Baguio made an enviable record of having, up to October 31, 1933, a tax delinquency of only ₱2,672.30.

CONDITIONS OF LAW AND ORDER

The conditions of peace and order was on the whole satisfactory during the year. Of course, there were a number of violent crimes committed due to personal differences and jealousies, discussions of the Hare-Hawes-Cutting Law, and labor and agrarian troubles, which did not seriously affect law and order in any part of the islands. In most instances the authors were arrested and brought to courts. There were also strikes, lockouts, conflicts, and other industrial disputes involving about 8,066 laborers. Most of them, however, were caused by questions of wages, principally opposition to reduction of wages. The activities of gold-mining prospectors in staking mining claims also contributed in furnishing cause for an unrest. The inhabitants of Bontoc, in the belief that all public lands in the mountain Province belonged to them as their patrimony, and that mining as a whole would greatly affect their rice fields and terraces adversely, presented opposition and attempted to take the law in their own hands to avenge an imaginary injury to a Bontoc woman who, it was alleged, has been unjustly assaulted by soldiers of the constabulary. The affair was, however, satisfactorily settled and no one was injured.

The tenancy problem in central Luzon, especially in the Provinces of Bulacan, Nueva Ecija, and Pampanga has been the source of constant trouble between landlords and tenants and has threatened peace and order in those Provinces seriously. Several hundred tenants threatened to stage a general strike, to abandon their work, and to prevent new tenants from taking their places. This, however, was

averted by the cooperation of the commissioner of labor and local officials. Peace and order were restored and the whole matter adjusted to the satisfaction of the parties concerned.

Closely related to the tenancy problem was that arising from the activities of the Communists. Well-known Communist leaders, Crisanto Evangelista, Jacinto Manahan, Juan Feleo, Mateo Castillo, and others, had been exploiting the laboring classes by taking advantage of their ignorance. The imprisonment, however, of Crisanto Evangelista and other outstanding Communist leaders has greatly affected the life of communism in the islands, had a demoralizing effect among the Communists themselves, and has weakened and slowed considerably the propagation of communistic ideals and principles. Another factor which contributed in no small way in deterring the rapid spread of communism is the liberal policy adopted by this department in dealing with Communists, particularly that referring to the holding of meetings and the exhibition of the emblems representing the organization. The desire to be affiliated in an organization, or to practice its teachings, increases proportionately to the degree of restraint put upon that desire or supervision in making that restraint effective. It is in human nature, and, paradoxical as it may seem, is nevertheless true.

It is simply a manifestation of the longing often present in the human mind to crave for a thing that is forbidden. That is why restrictions placed upon the activities of the Communists produce a special liking and strange restlessness among them. We believe that a regulation along lines that do not constitute a violation of our penal laws, without entirely prohibiting their activities, will wear off their cravings and gradually lessen their interest in the organization until it dies a natural death. Partly because of that human factor and partly because of the principle that the right to assemble or petition is a necessary consequence of republican institutions and the complement of the right of free speech guaranteed by our Organic laws, this department liberalized the policy heretofore followed in the islands. Since the adoption of this liberal policy, subsequent events have more than justified its adoption. Whereas before, there always have been murmurs of discontent on the part of Communists that the government was very unfriendly to them; now they appear more friendly and orderly and even go to the extent of asking advice and counsel from the government, which is as it should be. The adoption of this liberal policy, however, does not mean that the government is allowing any trespass on the basic principles on which the government has been founded. On the contrary we have made it clear, and Communists were made so to understand, that the government will always give primary consideration and due attention to matters that will likely affect public convenience and order, although, at the same time, the constitutional right of the people to meet peaceably for consultation in regard to public affairs and to petition for a redress of grievances will always be guaranteed. The adoption of this liberal policy has reduced to the minimum disturbances of peace and order from this source, as the cause for disagreement has been removed.

As regards the conditions in the special Provinces, the state of peace existing therein was marred by two encounters by the Philippine Constabulary with Moros in Sulu when the constabulary were pursuing Sakkam's outlaw band which ambushed the patrol under command of the late Lieutenant Alagar in October 1932. This campaign ended with the killing of Mahmud and 11 of his followers during the encounter on September 6, 1933. The other encounter was with the remnants of Sakkam's band on February 18, 1933. On October 20, another flare-up occurred, resulting in the instant death of Lt. M. G. Escueto.

Very respectfully,

TEOFILO SISON, *Secretary.*

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